



StrongPoint increases its focus on grocery retail and divests Labels business

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(Rælingen, Norway, June 28, 2021) StrongPoint ASA (“StrongPoint”, OSE: STRO) has today entered into a definite agreement to divest its labels business (as per segment reporting) (“Labels business”) to Volati Tryck Holding AB (“Volati”), a Swedish industrial group. The transaction includes the Swedish company StrongPoint Labels AB and the Norwegian Labels operations which is currently a part of StrongPoint AS and will be divested into a new entity that will be delivered to Volati.

The sale of the business is another step towards achieving StrongPoint’s 2025 growth strategy to focus on retail technology. The completion of the transaction is subject to some closing activities and is expected to occur in two steps during Q3 2021.

“Through this strategic sale we continue to streamline our portfolio and double down on focusing on retail technology. This follows from our recent divestment of StrongPoint’s Cash Security business in December 2020 and brings us a step closer in achieving our strategic ambitions and 2025 targets,” said Jacob Tveraabak, CEO of StrongPoint.

“We are pleased to have the opportunity to acquire StrongPoint's Labels business, which is one of the label industry's best companies. The acquisition fits in well with Volati’s labels business unit Ettiketto's growth strategy and strengthens us as a comprehensive supplier of label solutions,” said Nicklas Margård, Head of Business Area Industry.

“The Labels business has done a tremendous job in producing consistently high year-on-year profit levels and that we had so much interest in the business is a testament to their outstanding financial performance and reputation for customer service. Under the Volati umbrella we believe the Labels business has better opportunities to thrive in a fast-expanding company that is taking a bigger position in the labels industry,” added Tveraabak.

The Norwegian Labels business is currently in the process of being de-merged from StrongPoint AS. The de-merger is expected to be completed in August 2021 and the de-merged entity to be named StrongPoint Labels AS.

The completion of the sale of StrongPoint Labels AB will take place on or about July 1, 2021. The completion of the sale of the StrongPoint Labels AS will take place around September 1st, 2021 when the demerger has been finalized. Upon the delivery of both StrongPoint Labels AB and StrongPoint Labels AS has been finalised during Q3, the sale of the Labels business will generate an accounting net gain of approximately 165 MNOK.

The purchase price is final and agreed on the basis of the Labels accounts per May 31st, 2021 for the Swedish operations and the end of August (estimated) for the Norwegian business. The Labels business segment will no longer be part of StrongPoint’s financial reporting and will be reported as discontinued operation from and including the second quarter 2021.

The Labels business has 75 employees located in Sweden and Norway and had a revenue of 185 MNOK in 2020 and EBITDA of 30 MNOK (25 MNOK excluding IFRS 16 effects).

Disclosure regulation

This information is subject to the disclosure requirements pursuant to Section 5-12 the Norwegian Securities Trading Act.

Contacts

- Hilde Horn Gilen, CFO StrongPoint ASA, +47 920 60 158, hilde.gilen@strongpoint.com
- Jacob Tveraabak, CEO StrongPoint ASA, +47 908 21 370, jacob.tveraabak@strongpoint.com

About StrongPoint

StrongPoint is a retail technology company that provides solutions to make shops smarter, shopping experiences better and online grocery shopping more efficient. With over 450 employees in Norway, Sweden, the Baltics and Spain and together with a wide partner network, StrongPoint supports businesses in more than 20 countries. StrongPoint provides cash management and payment solutions, electronic shelf and adhesive labels, click & collect temperature-controlled grocery lockers, self-checkouts, and in-store and warehouse grocery picking solutions. StrongPoint is headquartered in Norway and is listed on the Oslo Stock Exchange with a revenue of 1,1bn NOK [ticker: STRO].

Attachments

- [Download announcement as PDF.pdf](#)