



DLA Piper advises HKScan in the divestment of its Baltic business



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HKScan Corporation has entered into an agreement to sell the shares of its Baltic subsidiaries to Estonia-based AS Maag Grupp. DLA Piper represents HKScan in the transaction.

HKScan has operated in the Baltics since 1998 and the transaction concerns its Estonian, Latvian and Lithuanian subsidiaries AS HKScan Estonia, AS HKScan Latvia and UAB HKScan Lietuva. HKScan's Baltic production units are located in Rakvere, Tabasalu and Viiratsi in Estonia and Jelgava in Latvia. In 2021, net sales for the Baltic business amounted to €170 million and the average number of employees in the three countries is some 1 500.

AS Maag Grupp is an over 25 years old Estonian food company operating in the meat and dairy business. Maag's net sales in 2021 totalled €233 million and it employs some 1 000 people.

The debt-free purchase price is €90 million, of which €20 million is conditional on the combined performance of the separately defined meat business subject to the transaction and Maag Grupp's Baltic meat business in the following years. Of the €70 million fixed purchase price, €55 million will be paid at the closing of the transaction and the remainder over the next three years.

The transaction is subject to merger control clearances and is expected to close in the second half of 2023.

The DLA Piper advisory team comprised **Ilkka Liljeroos, Eiel Ahmala, Mika Oinonen, Sami Rintala, Julia Olsson, Antto Oksanen** and **Jan Zelmenis**. DLA Piper worked in cooperation with Cobalt Law Firm, which was responsible for matters related to Baltic laws.

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