

PRESS RELEASE

January 11, 2021

Allgon opens a new subsidiary in the US industrial region

Allgon's subsidiary Tele Radio opens operations for industrial radio remote control in Twin Cities, Minnesota. - Our Minneapolis office puts us in the middle of one of the United States' largest industrial regions. This is an essential step in Allgon's expansion plan where we grow organically and are open to buying companies, says Johan Hårdén, CEO of Allgon. The subsidiary Tele Radio aims here to reach larger American industrial customers. - The fact that we are on-site with local industry experience quickly strengthens our ability to adapt our industrial management and provide the best possible service, says Ola Samelius, CEO of Tele Radio.

Allgon is currently available in 19 markets. For several years, the Group has had offices in the southeastern United States. The country now accounts for 11 percent of Allgon's sales. Because the USA is a third of the world market, Allgon still expects much room to grow further.

We are gearing up in the US right now because we have just completed our advanced next-generation industrial control Puma, which is especially suitable for the US's heavy machinery and mobile industry. Here we can quickly give demanding customers the best solutions in a new way, says Ola Samelius.

US key to the world market

The establishment in Minneapolis follows Allgon's long-term plan for geographical expansion. The pandemic has not affected the schedule or expectations. Allgon's production in Vietnam and China is also well equipped to follow the growth.

- The US industrial area in the north is one of the world's major industrial regions. Suppose we are to achieve the goal of becoming one of the world's leading players in the industrial remote control market. In that case, it is apparent that we need to be active, stronger and drive development in the industrial area around Minneapolis, says Johan Hårdén, CEO of Allgon.

The United States shows growth

Demand in the US is growing steadily today, almost as strong as in Europe. The markets for industrial control currently correspond to EUR 250 respectively 550 million per year. Allgon's experience in Europe will be significant in the United States.

- In our home market in Europe, the requirements for accuracy and reliability are much higher. It gives us an advantage when we come from Europe to the United States. We must continuously win on quality and adaptation. The low-price segments need to be taken care of by others, says Johan Hårdén.

The expansion continues

Over the past year, Allgon has opened sales offices in India, Brazil, France, and Russia. These markets are developing according to plan, and each market is usually profitable within 2-3 years. The same scenario applies to the Minneapolis office.

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- With Minneapolis, Allgon now has 20 subsidiaries with sales worldwide. Being present in new markets is Allgon's primary model for expansion. New establishments are crucial to meet new customers' high demands. It is by far our most important growth engine, says Johan Hårdén, CEO of Allgon.

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About Allgon

Allgon is a world leading company within the area of industrial radio remote control. We develop systems and products with a wide usage in industrial applications for customers in Europe, USA and Asia. The customer base is within areas such as mobile, transport, construction and the TMT sectors. Allgon has around 350 employees in 19 countries. Radio remote control systems is the mainstay of Allgons turnover through the subsidiaries Tele Radio and Åkerströms, two companies that complement each other. Åkerströms focuses on heavy industry with high demands on flexibility, safety and longevity in mainly Sweden markets, while Tele Radio offers a broader range of systems world-wide. Allgon also owns companies within connectivity. The company is headquartered in Kista, Stockholm and is listed on Nasdaq First North Stockholm (ALLG B) with FNCA, +46(0)8-528 00 399 info@fnca.se, as certified advisor.

Attachments

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