

Reconstruction of Plantagen gains legal force and is thus completed

The decision of the courts in Norway and Sweden to approve the reconstruction plans, which were announced on 16 January 2025, have gained legal force in both countries. Accordingly, the reconstruction, which has been ongoing since 22 August 2024, has now been completed. The objective of the reconstruction has been achieved. As a result, Plantagen now has lower costs as well as lower debt and a lower capital requirement.

The objective of the reconstruction was to ensure long-term sustainable and profitable operations, with the necessary conditions in place to meet customer needs, and to build on Plantagen's market-leading position in Norway and Sweden. This objective has now been achieved, and the measures taken have significantly improved the company's prospects to ensure greater financial stability through lower costs, lower debt and lower tied-up working capital.

Financial impact on Plantagen

Plantagen has reduced its store network by approximately 30%, which corresponds to the closure of 36 stores with insufficient profitability (14 stores in Norway, 11 stores in Sweden and all 11 stores in Finland). Plantagen has also reduced the number of store employees by 20% and the number of employees in Group functions by 36%, corresponding to a total of 285 FTEs.

The total cost savings from the 2024 cost-saving program and the measures carried out as part of the reconstruction, the rent reductions included, are estimated at approximately SEK 400m annually. The stores with insufficient profitability that have now been closed, reduces all other things being equal, the turnover in 2025 by approximately SEK 500m. Savings and a more compact store network significantly reduce the working capital requirement going forward. Shorter lease terms and a reduction in the number of stores will also reduce Plantagen's liabilities for future leasing commitments by approximately SEK 1,500m. The composition dividend amounts to a total payment of approximately SEK 260m. Write-down of external debts and realization of composition gains is calculated at approximately SEK 220m and will be reported as an extraordinary income in 2025. A part of the composition dividend will affect liabilities for future leasing commitments.

"We have now laid the foundation for a more financially viable company with stronger operations. I would like to thank Plantagen's management, all of its employees and its various stakeholders for their contribution to the success of this initiative. In a market dominated by high inflation, which has impacted both cost levels and consumer purchasing power, these measures were necessary. We are now fully focused on the future and Plantagen's upcoming peak season," says Jonas Wiström, President and CEO, Ratos.

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About Ratos

Ratos is a Swedish business group focusing on technological and infrastructure solutions, consisting of 15 companies divided into three business areas: Construction & Services, Industry and Consumer. The companies have approximately SEK 32 billion in net sales (December LTM). We have a distinct corporate culture and strategy – everything we do is based on our core values: Simplicity, Speed in Execution and It's All About People. We enable independent subsidiaries to excel by being part of something larger. People, leadership, culture and values are key focus areas.

Attachments

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