



Press Release
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Bergs closes the sawmill in Estonia

As informed in the interim report for the second quarter, the Board of Directors of Bergs Timber AB (publ) has decided to close the sawmill in Estonia that is operated in the subsidiary Laesti. The background is weak profitability, high production costs and large future investment needs.

A strategic review has been carried out during the spring to clarify the conditions for continued profitable operation where various options for the future of the unit have been evaluated.

A balanced assessment of the challenges facing the business, covering production costs, raw material supply, market potential, investment needs and financial developments, means that a closure of the sawmill is the most realistic option. This means that the sawing operations will cease in August and that the entire operation will be phased out in the autumn of 2023.

“ Although the local management is doing a good job, we do not see it as realistic to continue to operate and develop Laesti. The closure of the sawmill is part of the change in Bergs, where products with higher added value are prioritised, ” says Peter Nilsson, President and CEO of Bergs Timber.

The closure affects about 30 employees. Laesti has during the last twelve-month period had a net turnover of approximately SEK 100 million.

The closure have affected the result for the second quarter of 2023 with SEK 40 million for impairment of fixed assets and closure costs. Cash flow is estimated to be positively affected by approximately SEK 70 million when the discontinuation of operations is completed.

A letter of intent has been signed with the Estonian company Warmeston OÜ for the sale of land, buildings and machinery and the transaction is expected to be completed in the third quarter of 2023. The proposed new owner does not plan to operate the sawmill.

Contacts

Further information can be provided by the CEO, Peter Nilsson, on telephone number +46 70 315 09 27 or CFO, Anders Marklund, on +46 70 284 47 96.

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About Bergs - An international wood products Group

The Bergs Group consists of independent subsidiaries, with clear responsibilities for results, that develop, produce and market processed wood for various applications.

With years of experience in wood and a great deal of competence in processing, Bergs promotes building a sustainable society based on renewable raw materials from sustainably cultivated forests in the Baltic Sea region. Operations are conducted in Sweden, Estonia, Latvia, Poland and the UK, and the Group's products are sold in some 20 countries.

The largest markets consist of Scandinavia, the Baltic countries, the UK and France. The head office and Group management are located in Sweden.

The company's share has been listed on Nasdaq Stockholm since 1984.

Attachments

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