

PRESS RELEASE

15 September 2022

Bergs's subsidiary Bitus concentrates production on fewer units

The Board of Directors of Bitus AB, a subsidiary of Bergs, has decided to initiate negotiations with the unions to concentrate production to the units in Nybro and Fågelfors. This means that production in Broakulla, in Emmaboda municipality, will be discontinued and 12 employees will be affected.

After a strategic review of the operations in Bitus, the Board of Directors has concluded that future efforts and investments for increased competitiveness and not least in energy efficiency should be concentrated to the existing facilities in Nybro and Fågelfors. The advantages of production on fewer units are obvious. Negotiations have been initiated with those concerned and the ambition is for the closure to be completed by the beginning of 2023.

"We do not see it realistic to operate the unit in Broakulla with profitability. From that perspective, the logic behind this change is very clear, but at the same time very sad as it will affect several of our competent employees", says Peter Nilsson, President and CEO of Bergs.

The costs related to the closure will only have a marginal impact on the Group's results. The cash flow will be positively affected by reduction of working capital.

Contact

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FACTS

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The subsidiary Bitus is part of Bergs's Wood Protection product area and is one of Europe's leading producers of impregnated wood products for both the Swedish market and various export markets. In Fågelfors there is also a modern production plant that produces energy pellets, stable pellets and heating logs under its own brand.

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.

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