

Press release, February 2, 2017

# SEMCON DIVESTS GERMAN ENGINEERING BUSINESS.

**The Semcon Group is divesting its engineering operations in Germany, that form the Business Area Engineering Services Germany, to Valmet Automotive.**

The business area provides services to customers primarily in the German automotive industry and has around 800 employees with annual sales in 2015 amounting to SEK 901 million and an operating loss of SEK -49 million. During the January-September period 2016, sales amounted to SEK 667 million and operating profit to SEK 13 million. Semcon's operations in product information in Germany are not affected by the sale.

"Business Area Engineering Services Germany largely consists of services related to prototype and testing activities. We do not generally provide these types of services in the rest of the Semcon Group and the operations are therefore a better fit with Valmet Automotive's offering. The divestment of our German-based engineering services will enable us to focus even more on increasing Semcon's growth in product development services on other markets. This will also strengthen the Group's profitability and improve the prerequisites to achieve our financial objectives," says Markus Granlund, CEO of Semcon.

The purchase price will be paid in cash and amounts to EUR 14.1 million [SEK 135 million] plus the booked value of net assets at the date of transfer. The divestment includes all companies in the business area and entails an expected positive cash-flow effect of approximately SEK 160 million. The transaction will result in an impairment loss for intangible assets amounting to SEK 66 million and deferred tax assets amounting to SEK 57 million during the fourth quarter 2016. In Semcon Group accounts, the divested business will be accounted for as discontinued operations as from 2016 accounts. The divestment is scheduled to be completed during February 2017.

## **For more information, please contact:**

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Semcon is an international technology company that develops products based on human needs and behaviours. We strengthen our customers' competitiveness by always starting from the end user, because the person who knows most about the user's needs creates the best products and the clearest benefits to humans. Semcon collaborates mainly with companies in the automotive, industry, energy and life science sectors. With 3,000 specialised employees, Semcon has the ability to take care of the entire product development cycle. From strategy and technology development to design and product information. Semcon was founded in Sweden in 1980 and has offices in over 40 locations in nine different countries. In 2015, the Group reported annual sales of SEK 2.6 billion. Read more on [semcon.com](http://semcon.com)

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