

Press release, 30 October 2020

Strategic change in Semcon's operations in India to increase capacity

Semcon has today signed an agreement to divest its operations in India, which is part of business area Engineering & Digital Services, to the Indian company ASM Technologies. They now will be a multi-site partner to Semcon in various customer projects. The divestment means that Semcon will have access to ASM Technologies' whole set of core competencies, including additional digital competence, among other things.

Activities need to be scaled up in order to ensure delivery capacity and long-term profitability in India. Several different options to strengthen the operations in India have been reviewed.

"Instead of doing so organically, we have chosen to divest the operations to ASM Technologies, which already has a strong presence in India. At the same time, we have entered a strategic cooperation agreement. This enhances value for our customers, while allowing us to create the conditions to focus on other prioritized growth areas", says Markus Granlund, President and CEO of Semcon.

Semcon and ASM Technologies will continue their close cooperation, in which Semcon's ongoing customer projects will not be affected. Instead, Semcon will have a partner in India with great capacity and broad expertise, especially in digitalisation and software development.

"This means that we can continue our efforts to grow in prioritized geographical areas and industries that are in line with our strategy, where we see opportunities for increased profitability over time. At the same time, we will have a strong partner for our cost-effective multi-site projects", says Hans Peter Havdal, Division Manager business area Engineering & Digital Services at Semcon.

All of Semcon's employees in India will become part of ASM Technologies. Mechanical design and electronics will be among the competencies acquired from Semcon.

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 more than 1,800 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 30 locations in seven different countries. In 2019, the Group reported annual sales of SEK 1.9 billion. Read more on [semcon.com](https://www.semcon.com)

“The acquisition further strengthens our proposition for our clients in India and global markets while providing us with the additional scale and growth. We want to take this opportunity to welcome Semcon India employees into our fold. A great opportunity for growth and learning awaits them. The global agreement is a win-win deal too since both the companies complement each other well in terms of respective capabilities and market leadership. We are eager to be joining forces with Semcon to accelerate innovation at scale for customers in existing and new markets”, says Rabindra Srikantan, Managing Director at ASM Technologies.

Established in 1992, ASM Technologies is a publicly-listed company in India with presence in USA, Singapore, UK, Canada, Mexico and Japan. ASM Technologies provides consulting and product development services in the areas of Engineering Services and Product R&D.

Semcon’s operations in India are part of the business area Engineering & Digital Services and have 192 employees. Revenue in the local market in India amounted to SEK 17 million during the period January-September 2020. The divestment is estimated to burden the profit before tax by approximately SEK 2 million but will not have any significant impact on future operating profit. The transaction is conditional and is completed when the conditions are met.

For more information, please contact:

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