

Press release, 11 May 2021

Semcon strengthens its digital position through the acquisition of the IT company Squeed

Semcon is acquiring 100 per cent of the shares in the Swedish IT company Squeed AB, which reported sales of SEK 105 million in 2020. Squeed's strong position in software development and agile change management complements Semcon's digital offering, adds new sectors and broadens the Group's customer portfolio.

"Squeed is a strategically important acquisition that will add a further almost 100 fantastic colleagues to our company as well as new and exciting customers. It will be extremely inspiring to work together and provide even better support to our customers in their digital transition," says Markus Granlund, CEO of Semcon.

Digital technology is rapidly changing products and services and the digital transformation is impacting every industry and end user. It is a strong driver of change and creates new opportunities for more sustainable and user-friendly digital solutions.

"The acquisition of Squeed will complement the Group's existing digital offering in, for example, AI and smart products with additional cutting-edge expertise in full-stack development and cloud services. This generates opportunities for us to work with customers in new industries, such as retail, finance & insurance and media," says Markus Granlund.

Squeed, which will join Semcon's Engineering & Digital Services business area, has 95 employees and strengthens Semcon's presence mainly in Göteborg and Stockholm, but also in Oslo. In 2020, sales amounted to SEK 105 million and operating profit to SEK 14 million, yielding an operating margin of 13 per cent.

"Squeed's employees are accustomed to working on projects that span across innovation and business development to implementation. As a part of Semcon, we will work on new exciting projects that combine digital and physical solutions. In terms of culture, we are an outstanding match as we are both development-oriented, people-first companies that share a passion for value-generating technology," says Squeed's President Ola Klasson.

Semcon is an international technology company. We turn technology into excellent user experiences by combining digital edge and engineering expertise. With diverse multi-disciplinary teams we add new perspectives creating sustainable and competitive businesses. Regardless of if you aim to recharge a current product or service, reinvent new technology or reimagine future needs, our focus is always on human needs and behaviour in order to develop solutions with the clearest benefits to people and our planet. With its varied backgrounds and specialist expertise, our team contributed new perspectives to the development of sustainable and competitive solutions. By combining 40 years of advanced engineering skills, strategic innovation, digital services and product information solutions, we are pushing developments forwards in several sectors. We are more than 1,800 dedicated employees based in seven countries. Read more on [semcon.com](https://www.semcon.com)

Financial information

The purchase price for 100 per cent of the shares, on a cash and debt-free basis, initially amounts to SEK 61 million, of which SEK 56 million will be paid in cash and SEK 5 million will be paid in the form of 42,585 shares in Semcon 1). In addition, earn-outs, paid in cash, may amount to a maximum of SEK 39 million if the operating profit exceeds certain benchmark levels during 2021-2023. The cash portion of the purchase price will be financed using available funds in Semcon. The share portion will be met using existing holdings of own shares and the authorisation permitting the transfer of own shares that the Annual General Meeting resolved to provide the Board of Directors on 29 April 2021.

The purchase price is adjusted for normalised working capital, and Semcon is measuring the entire purchase price, including earn-outs, at fair value at the date of transfer on 11 May 2021. Consolidation takes place from May 2021. Semcon expects the acquisition to have a positive impact on earnings per share in 2021.

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1) Based on the average volume-weighted price paid 20 trading days prior to signing the share purchase agreement.

[Read more about Semcon's and Squeed's next step.](#)

About Squeed

Squeed provides digital services through innovative and qualified IT consultants and agile coaches. Operations are conducted in three business areas: Tech – software development based on Java, .Net, cloud services, Frontend, UX as well as test and quality assurance. Agile – agile coaches that help organisations achieve greater flexibility. Studio – provision of software teams as a service. The company has 95 employees and offices in Göteborg, Stockholm and Oslo. Read more on www.squeed.com.

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