

PRESS RELEASE

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Grigeo expands into Poland: purchases a tissue paper factory

AB Grigeo, one of the largest paper and wood industry company groups in the Baltic States, has signed a preliminary agreement for the purchase of shares regarding the acquisition of one of the factories of Glucholaskie Zakłady Papiernicze sp. z o.o (GZP), a tissue paper and cardboard manufacturer in Poland.

The company intends to acquire 100% of the shares of the subsidiary company of GZP which will manage the tissue paper business in Niedomice, Poland.

The transaction is planned to be completed within 6 months, subject to the conditions precedent specified in the agreement. The company plans to finance this acquisition from its own financial resources.

According to the CEO of AB Grigeo, Tomas Jozonis, expansion into Poland is a strategically planned step that will allow the company to strengthen its position in the tissue paper market in Central and Eastern Europe and expand its product range.

“This is a promising and steadily growing market, providing us with broader opportunities for product distribution in Germany, the Czech Republic, Slovakia, Ukraine, and other countries in the region. The on-site production infrastructure will allow us to optimize logistics costs, and we should strengthen our competitive advantage by transferring the best practices of the Grigiškės production facility to the new factory,” says T. Jozonis.

The first acquisition for Grigeo in the Polish market is a tissue paper factory located in Niedomice, which is approximately 90 km east of Krakow. Currently, the factory employs 175 workers, operates paper machines and converting lines.

According to the company’s CEO, T. Jozonis, the production ecosystem situated on nearly 8 hectares of land will be expanded in the future, with plans to implement production innovations and increase production volumes.

Based on unaudited data, the annual turnover of the GZP division in Niedomice for 2022 was EUR 40 million, with an EBITDA of EUR 3.8 million. According to available data, the estimated enterprise value is EUR 22 million.

The group of companies producing fiberboard, cardboard and tissue paper consists of AB Grigeo, UAB Grigeo Packaging, UAB Grigeo Baltwood, AB Grigeo Klaipėda, AT Mena Pak, UAB Grigeo Recycling, SIA Grigeo Recycling, and UAB Grigeo investicijų valdymas.

The group of companies employs approximately 850 employees. In 2022, the annual turnover of AB Grigeo group reached EUR 203.2 million, which is EUR 40 million more than in 2021. The EBITDA (earnings before taxes, interest, and depreciation) of the group of companies amounted to EUR 21.4 million in 2022, a decrease of 9.7% compared to 2021 (EUR 23.7 million). In 2022, the net profit of AB Grigeo group of companies was EUR 10.6 million, representing a 14.5% decrease compared to 2021.

The shares of AB Grigeo are listed on the official trading list of AB Nasdaq Vilnius.



Headquarters of Grigeo AB



CEO Tomas Jozonis