



PRESS RELEASE

Halmstad, April 16, 2024

HMS Networks realize immediate cost synergies and launches cost-saving program to streamline the organization

Following the closing of the acquisition of Red Lion Controls (“Red Lion”) on April 2, 2024, HMS and Red Lion have started the work of realizing synergies between the companies and hereby announces immediate cost synergies. Additionally, as a result of strong organic growth the last few years, and a dampened market demand experienced over the recent quarters and a slower market recovery, HMS is now initiating a cost-saving program to reduce the costs and streamline the organization to be positioned for further growth.

The main initiatives of the program will be to realize early cost synergies from the acquisition of Red Lion and a restructuring of the Anybus organization, but also a fine-tuning of the European organization. The program is expected to affect approximately 45 positions in total, of which approximately 25 positions in Sweden, and result in cost savings of about SEK 30 million in 2024, with a full year effect of about SEK 55 million. As a result of the program, HMS will commence negotiations with labor unions in Sweden.

The expected cost savings will gradually materialize during the second quarter of 2024, with full impact from the start of the third quarter of 2024. As a result of the cost-saving program, the company expects one-time restructuring costs of approximately SEK 35 million during the second quarter.

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HMS Networks AB (publ) is a market-leading provider of solutions in Industrial Information and Communication Technology (Industrial ICT) and employs over 1 200 people. Local sales and support are handled through over 20 sales offices all over the world, as well as through a wide network of distributors and partners. HMS reported sales of SEK 3,025 million in 2023 and is listed on the NASDAQ OMX in Stockholm in the Large Cap segment and Telecommunications sector.