

Press release
Lerum, October 24 th, 2019

Oboya carries out relocation of operations and warehouses, which entails an annual cost saving of SEK 5.0 million

Oboya Horticulture Industries AB ("Oboya" or "The Company"), through wholly-owned subsidiaries in Sweden and Denmark, carries out relocation of operations and warehouses. The change entails an annual cost saving of MSEK 5.0 with full effect from the first quarter of 2020. The relocation is part of previously communicated profitability improvement and the Company's strategic plan to achieve a net margin of 5-7 percent.

Oboya has previously announced that the focus for the coming years is to achieve sustainable profitability. In order to achieve the stated target of a net margin of 5–7 percent, the Company initiated a rationalization- and savings program during the second quarter of 2019 focusing on mergers and rationalization with the aim of reducing the Company's operating costs. As part of this strategy, Oboya has through its wholly-owned subsidiaries in Sweden and Denmark initiated the relocation of operations and warehouses, which entails an annual cost savings of a total of SEK 5.0 million. The relocation changes do not affect the subsidiaries operational activities and daily work continues during the relocation period.

Centralization of warehouse logistics in Sweden

The relocation places in Sweden is from Trångsund to Motala, where the Swedish subsidiary already has a smaller warehouse. Thus, the move aims to centralize warehouse logistics and reduce the number of warehouses. The cost savings are attributable to reduced rental costs for premises and amount to approximately SEK 3.0 million annually with effect from January 2020.

Relocation of operations in Denmark

In the Danish subsidiary, all own production was discontinued during third quarter of 2019. Production has instead been placed on an external party, which improves the Oboya Group's working capital and reduces its cost base. The savings are thus attributable to reduced costs for premises, personnel and energy consumption and amounted to approximately SEK 2.0 million annually with full effect from the January 2020. Following the change in operations, the Danish subsidiary will move to nearby and smaller premises that are better adapted to the new operations.

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About Oboya Horticulture Industries AB

Oboya Horticulture aims to become a world-leading total supplier of consumables and logistics products for the cultivation industry as well as consumer products for home cultivation and indoor environments. Production takes place in factories in China, Poland, Vietnam and Kenya. More information about the company is available at www.ooya.se.

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