

Press release

21 March 2017

Holmen strengthens wood products business

Today, Holmen has signed an agreement to acquire Linghem Sawmill from its present owner, Rörvik Timber. The sawmill has a new saw line with capacity to produce 75 000 cubic metres per year. Logs more slender than those sawn at the Group's Braviken Sawmill, 40 km from Linghem, are used as raw material. The purchase price is SEK 48 million.

"The acquisition of Linghem Sawmill forms part of our strategy to make use of a greater proportion of the raw material in the area around our sawmills. It makes us an even better partner in relation to the forest owners," says Johan Padel, head of Wood Products business area, and continues: "Linghem's products supplement Holmen's current business structure and reinforce the company's market position in Sweden and the UK."

A planing mill is also included in the sawmill, which employs 28 people. The takeover has been planned to take place on 28 April.

Ongoing measures are being taken at Holmen's two existing sawmills to refine the business. At Braviken Sawmill, two types of wood are now being sawn, distribution has been streamlined and the degree of added value is being increased through the construction of a wood treatment plant. At Iggesund Sawmill, investments in the plant have increased capacity by 15 per cent over the past year. Furthermore, opportunities to establish production of solid wood wall modules (cross laminated timber) are being investigated as a result of the greater interest in wood construction.

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