

## Reduced costs by SEK 200 million when Serneke streamlines the organization

**Serneke takes the next step in a large reorganization that the company initiated in the fall of 2019. The changes now being implemented leads to reduced costs of about SEK 200 million annually. Expected to be in full effect at the beginning of 2021 and to impact up to 100 positions.**

“The measures we are now implementing lead to an adjustment of the cost base for the new Serneke Sweden and its more efficient working methods. In addition, the current situation in the world with the effects of covid-19 requires additional acuity and decisiveness”, says Ola Serneke, acting CEO of Serneke Sweden and CEO of Serneke Group.

The creation of a new organization began in the fall of last year and aimed to bring together the company's core business into one Serneke Sweden consisting of five regions, all with full profit and loss responsibility. Closeness to the local business and more engaged employees were some of the strengths that the new regional structure shall further improve. Serneke also moved away from the four business areas Construction, Civil Engineering, Project Development and Real Estate. Now, in the new organization, focus is on satisfying customer needs and delivering a full-service offering with the company's combined competences.

“After a few months with the new organization we are becoming more efficient and better at utilizing resources. Strengthened by that, and as a natural next step, we are now taking actions to further sharpen our competitiveness and improve our profitability”, says Ola Serneke.

The initiatives reduce costs throughout the organization and mean that up to 100 employees are notified of termination. This is primarily impacting business units where the reorganization has had greatest impact, such as within the previous business areas Civil Engineering, Real Estate and Project Development. Discussions with the trade unions have started.

In total, the efficiency measures mean that about SEK 200 million in costs are reduced annually, with full impact from the beginning of 2021. Reservations of about SEK 100 million for costs linked to the implementation will impact earnings in the first and second quarters of 2020.

“The change we are now presenting is necessary to follow our ambition of profitability ahead of growth and secure our future competitiveness. It is an important part of a long-term plan that is further impacted by the serious situation prevailing globally due to covid-19. This will be a year of focus on our contracting operations and on execution of our record strong order book of SEK 9 billion with which we started the year”, says Ola Serneke.

### **For more information, please contact:**

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This information is information that Serneke is obliged to disclose pursuant to the EU Market Abuse Regulation. The information was released for public disclosure, through the agency of the contact person above, on March 27, 2020 at 08:00 (CET).

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*Serneke is a rapidly growing corporate group active in construction contracts and project development. The Group was founded in 2002 and today has income of SEK 6.7 billion and nearly 1,200 employees. Through novel thinking, the Company drives development and creates more effective and more innovative solutions for responsible construction. The Company builds and develops housing, commercial buildings, industrial facilities, public buildings, roads and civil engineering projects, and other infrastructure. The Company's customers are public and commercial clients. The Company's operations are nationwide and organized into five regions in Sweden: South, West, East, Mid Sweden and North. Serneke has its headquarters in Gothenburg and offices in Stockholm, Malmö, Alingsås, Borås, Eskilstuna, Halmstad, Helsingborg, Jönköping, Karlstad, Luleå, Norrköping, Skövde, Strömstad, Sundsvall, Trollhättan, Uppsala, Varberg, Växjö and Örebro. The Company's Class B shares (SRNKE) have been listed on the Nasdaq Stockholm exchange since November 2016.*

*Further information about Serneke Group AB is available at [www.serneke.com](http://www.serneke.com)*