

Press release from Persson Invest and SCA Timber

SCA and Persson Invest extend collaboration Announce plans for joint sawn-products company

SCA and the Persson Invest Group, based in the County of Jämtland, have announced plans to form a joint sawn-products company, Gallo AB. The company will consist of Persson Invest's two sawmills Gällö and Tjärnvik, and SCA's Jämtlamell sawmill in Stugun. Persson Invest and SCA will own equal stakes in Gallo AB.

SCA and Persson Invest already cooperate extensively, both with respect to sales of sawn products in certain markets and in the procurement of raw materials.

“Gallo will utilise SCA Timber's well-developed sales organisation, which will significantly boost our strength in the market for sawn products,” says Bob Persson, President of Persson Invest. “Coordinating production and the product range of Tjärnvik, Gällö and Stugun will enable us to enhance production efficiency. Moreover, we will be able to secure a more reliable supply of raw materials to Persson Invest's planing mills in Edsbyn and Åshammar.”

“With the addition of Gallo's products, SCA Timber will be able to offer larger volumes of sawn products – more than two million cubic meters in total – making us a more attractive partner for the most dynamic wood-products customers in Europe and in other markets,” says Jonas Mårtensson, President of SCA Timber.

Primaskog, which is jointly owned with Rödins Trä, has largely been responsible for the procurement of raw material for Persson Invest's sawmills and the company will also continue to procure raw material for both Gallo and Rödins Trä.

The intended agreement between Persson Invest and SCA regarding the formation of Gallo AB will be examined by the competition authority and will be subject to co-determination negotiations at both companies.

A total of 161 employees will be affected at the sawmills at Gällö, Tjärnvik and Stugun, in addition to some 10 contractor staff. The combined production of the three sawmills is 380,000 cubic meters of sawn products.

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