

ElektronikGruppen

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ElektronikGruppen expand through acquisition of the electronic company Sincotron

As a step focusing towards the telecom sector, ElektronikGruppen has acquired Sincotron AB.

Sincotron is a leading supplier of process education and process equipment to the telecom industry in Sweden, Finland and Poland.

Sincotron has 33 employees in Sweden, Finland, Poland and Czech Rep and show high growth.

The turnover in 2000 was 89 MSEK with good profitability. Sincotron's business area, process education, with customers such as Ericsson, Flextronics and Soletron show good profitability.

Sincotron has a unique program for training and education of production personnel.

Sincotron's business area, production equipment, has a strong growth due to the expansion of electronic production in Poland.

Through the acquisition a new business area is created within ElektronikGruppen named Production Technology.

Background and motive; ElektronikGruppen has during the last years strengthened its position in the Nordic area as a supplier of components to the telecom industry. Components are becoming more miniaturized which make the demand for precision and quality in the telecom manufacturers' production processes increase continuously.

Process control of highly automatic transfer lines becomes constantly an important parameter in telecom manufacturer's profitability and quality security.

ElektronikGruppen is today a leading supplier of lasercut stencils in Sweden, Finland and Philippines. The combination of ElektronikGruppen's stencil operation, Sincotron's process knowledge and sale of production equipment form a strong base for future expansion. The intention is to utilize respectively company's market position in different geographical markets and in addition increase the product and service supply to the telecom manufacturers.

Sincotron started in 1970 and was until 1995 owned by Universal. Sincotron's business concept was to sell and service production equipment to the electronic industry. 1995 the company was bought by the company's President, Anders Karström. The company is situated in Spånga. 1999 a technique center for process education and development was started in Norrköping to support Sincotron's customers. 1996 a selling- and education company started in Poland where an increasing part of the electronic production moved. In 2000 Sincotron Finland and Sincotron Czech Rep were formed. Sincotron has today two business areas, selling of equipment to electronic production and process education for electronic production.

The acquisition is carried out as a cash transaction and as a non-cash issue, like ElektronikGruppen issues shares in exchange for present owner's shares in Sincotron Holding AB.

The owner to Sincotron obtains 189.702 B-shares in ElektronikGruppen. The Board of ElektronikGruppen makes the final decision when the share endorsement is signed.

New capital issue is carried through with support of authorization from extraordinary general meeting in 2000.

Comments from CEOs:

Johnny Alvarsson, President and CEO in ElektronikGruppen:

"The knowledge from Sincotron within production equipment and processes together with ElektronikGruppen's businesses will make our capacity stronger to support our customers within production of telecom equipment. Through the acquisition ElektronikGruppen's conditions to a future high profitability and growth are strengthen".

Anders Karstrom, President and CEO in Sincotron AB:

"Sincotron's possibilities to faster reach a bigger market is improved extremely with the resources from ElektronikGruppen. It is stimulating that together with an expansive and profitable company such as ElektronikGruppen continue our strategy".

ElektronikGruppen is a listed company with a turnover of appr 700 MSEK and more than 900 employees in 7 countries divided in 3 business areas.

EG Communication with its head office in Uppsala, EG ComTech AB, develop and manufacture fiber optic products and deliver key netsolutions for broadband services in the Nordic area and Asia.

EG Electronic Components market customized components to the leading electronic industry in the Nordic area, the Baltic States and U.K.

EG MTC develop and manufacture inductive components for telecom and other industrial markets. The sale is global.

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