

Hartmann initiates divestment of the group's Russian activities

1.4.2022 18:27:10 CEST | Brødrene Hartmann A/S | Inside information

As a consequence of the Russian invasion of Ukraine, the board of directors has decided to initiate a sales process for Hartmann's Russian factory. The decision has been made with a view to leave Russia where the current political and economic climate prevents the realisation of Hartmann's business plan in the country. Considering the group's significant growth and investment opportunities in other markets, it is no longer deemed to be in Hartmann's interest to spend time and management resources on developing a business in Russia.

Hartmann initiates the sales process in continuation of the previously announced decision to suspend exports of packaging and sales of machinery and technology to Russia as well as investments in the plant. Hartmann will explore the market for potential buyers while maintaining operations in the transition period to safeguard the factory's 300 employees and reduce the risk of nationalisation.

Based on this decision, the Russian activities will be treated as assets held for sale and thus not contribute to the group's revenue and operating profit until the completion of the sales process. The Russian business will be reassessed at fair value, which will entail an impairment that will be calculated later and booked as special items. In 2021, the Russian business generated revenue of DKK 78 million, and the carrying amount for the activities was DKK 125 million at the end of the year.

Hartmann maintains expectations of generating revenue of DKK 2.9-3.3 billion and a profit margin of 2-7% before special items and restatement for hyperinflation with an investment level around DKK 225 million in 2022.

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About Brødrene Hartmann A/S

Hartmann is the world's leading manufacturer of moulded-fibre egg packaging and a market-leading manufacturer of fruit packaging in South America and India. The group is also the world's largest manufacturer of technology for the production of moulded-fibre packaging. Founded in 1917, Hartmann's market position builds on its strong technology know-how and extensive experience of sustainable moulded-fibre production dating back to 1936. Hartmann sells egg and fruit packaging to manufacturers, distributors and retail chains, which are increasingly demanding sustainable packaging solutions and specialised marketing expertise. Our versatile product portfolio is customised to accommodate customer and consumer needs in each individual market. Hartmann sells machinery and technology to manufacturers of moulded-fibre packaging in selected markets. Headquartered in Gentofte, Denmark, Hartmann has 2,800 employees. Hartmann's production platform consists of 15 factories in Europe and Israel, North and South America, and India and Russia.

Attachments

- [Company announcement.pdf](#)