

GARO consolidates production and strengthens its Swedish operations

GARO consolidates production to Sweden

As part of the long-term strategy for increased efficiency and competitiveness, GARO has decided to move its production from Poland to Gnosjö/Hillerstorp, to consolidate and streamline operations. A unified production in Sweden strengthens GARO's industrial structure with clear economies of scale and more efficient processes through better capacity utilization, shorter lead times and increased coordination between development, production, sales and other functions.

All in all, this gives GARO better flexibility to meet future growth and market changes.

The cost advantages in Poland have been reduced by rising wages. In addition, with GARO's current product portfolio, with a lower proportion of production time in the products, cost advantages become significantly smaller. The decision means that approximately 80 employees in Poland will be affected, while there will be a need to expand the workforce in production in Hillerstorp and Gnosjö.

The transition will be carried out in stages during 2026 and without any impact on the company's ability to deliver to customers.

"This is a strategically important step for us. By consolidating production, we strengthen our operational efficiency while getting closer to both customers and development activities. This gives us better conditions to grow profitably over time," says Joseph Ree, acting CEO of GARO.

The move entails some restructuring costs during the implementation phase but is expected to contribute positively to the company's profitability and operational efficiency in the long term, with an annual saving of at least SEK 25 million net (considering increased production staff in Sweden) and will strengthen the groups profitability accordingly.

The decision also means that the property in Poland will be put up for sale. The property is in excellent condition and valued around MSEK 110 to 130, subject to market demand and timing.

GARO Germany

Furthermore, as part of the continued focus on efficiency and structural clarity, GARO's sales office in Germany will be discontinued. Existing and future customer relationships are secured by selling through already established channels. This enables a high level of service and good availability to continue in the future, with a cost saving of approximately SEK 5 million.

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