

Netel continues to expand in the UK and acquires Doocey North East Ltd

Netel has signed an agreement to acquire all of the shares in Doocey North East Ltd, based in Middlesbrough, England. Doocey's main business is civil engineering work within fiber. The acquisition is Netel's second in the UK in a short time and means that Netel is rapidly continuing its expansion in the growing British fiber market.

Doocey reported net sales of about SEK 82 million in 2020/21 with 15 employees and has a strong order backlog for coming years. Doocey has historically had a higher EBITA margin than Netel Group. Consolidation is expected in August 2022 and Doocey will be part of the new segment UK, business area Fixed Networks. The purchase price is paid in cash and through the offset issue of 90,364 shares in Netel Holding.

The UK aims to increase broadband coverage across the country to make fiber accessible to all households. The main focus is on the countryside and the demand for increased coverage is growing rapidly. The British fiber market is similar to that in Germany, where Netel has experienced strong growth with good profitability.

Netel entered the UK fiber market on 27 June 2022 through the acquisition of Border Civils & Utilities Ltd. Doocey has, like Border, tier one contractors and network owners as customers. Netel expects synergies between the newly acquired British companies.

"With the acquisition of Doocey, we are broadening our presence and offering in the attractive UK infrastructure market," says Ove Bergkvist, President and CEO of Netel. "We see more opportunities for expansion in the British market for critical infrastructure in fiber, power, district heating, water and sewage as well as associated civil engineering work."

"We have a strong order backlog for coming years and see continued good opportunities to grow with new and existing customers", says Charlie Doocey, CEO of Doocey North East. "Being part of the Netel Group gives us additional strengths and the ability to win bigger contracts."

Netel has a clear growth strategy where acquisitions are an important part. Through the acquisitions, Netel strengthens its existing position and expands into new market segments and countries. In 2022, Netel has ambitions to make acquisitions in Sweden, Norway and Germany and the UK. So far this year, Netel has consolidated four acquisitions in Sweden and announced two acquisitions in the UK. The six operations had a total turnover of approximately SEK 440 million at the time of the acquisition.

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About Us

Netel is a leading specialist in critical infrastructures in Northern Europe. We have over 20 years of experience in carrying out projects as well as services and maintenance for the industry's largest players in power, telecommunications, heating as well as water and sewage. We have a clear strategy for organic growth and acquisitions based on an efficient business model that is characterized by decentralization, low capital tied up and high cash conversion. Our business is based on a solid sustainability approach with intense responsibility for the environment and work safety. Netel had sales of more than SEK 2.4 billion in 2021 and has approximately 660 employees. Read more at www.netelgroup.com.

Attachments

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