

## Arbitration verdict gives Netel positive cash flow effect of approximately SEK 80 million

**On 6 April 2023, Netel announced that the arbitration tribunal settled Netel's dispute with a large fibre customer and ruled in Netel's favour. The ruling gives Netel a positive cash flow effect of approximately SEK 80 million in the second quarter of 2023 and a positive non-recurring effect on EBITA of approximately SEK 5 million and on profit before tax of approximately SEK 15 million in the first quarter of 2023. Since Sweden currently has the highest fibre coverage in Europe, Netel's Swedish fibre operation will focus on servicing the fibre networks and continues the termination of the Swedish fibre rollout operations.**

The arbitration was initiated in 2021 when Netel claimed compensation for outstanding payment of invoices for work performed in the fibre area. The arbitral tribunal has determined that Netel was entitled to payment.

For many years, Netel has successfully conducted project activities within fibre expansion in Sweden and today more than 90 percent of Swedish households have a fibre connection. As early as 2017, Netel took the strategic decision to compensate for the declining rollout of fibre in Sweden. Since then, Netel has built significant operations in power, district heating, water and sewage in Sweden, both organically and through acquisitions. The Group also has a strong position in the market for the deployment of the 5G networks. Since the Swedish market for fibre deployment will be small for the foreseeable future, Netel's Swedish fibre operation will focus on the significant market for servicing fibre networks.

"It's fantastic that we have been part of making Sweden a leading IT nation in terms of fibre coverage", says CEO Ove Bergkvist. "Now we are proceeding with the 5G rollout while increasing our focus on being part of the electrification of Sweden and the necessary modernisation of the railway, heating, water and sewage infrastructures."

Netel uses its fibre expertise in other parts of northern Europe, including the UK and Germany. In these two large countries, just over ten percent of households have fibre and there are extensive national programmes to expand fibre coverage.

"It is a clear advantage that we have our experience and references from the fibre expansion in Sweden when we take orders in the UK and Germany," continues Ove Bergkvist. "Both the UK and Germany have ambitious expansion plans that will last for many years and we will take significant positions there."

Netel's legal adviser in the arbitration case has been JKN Advokat.

## Contacts

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## About Us

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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 3.1 billion in 2022 and has over 800 employees. Read more at [www.netelgroup.com](http://www.netelgroup.com).

## Attachments

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