

Netel expands in Northern Sweden

Netel has signed an agreement to acquire all of the shares in Bredbyns Schakt AB in Örnsköldsvik, Sweden. The company's main operations are water and sewage, power and district heating. This is Netel's seventh acquisition in 2022 and means that Netel continues to broaden its activities both geographically and operationally.

Bredbyns Schakt reported net sales of about SEK 57 million in 2021 with 27 employees and a strong order backlog for coming year. Bredbyns Schakt has historically had a higher EBITA margin than Netel Group. Consolidation is expected in November 2022 and Bredbyns Schakt will be part of segment Sweden, business area Fixed Networks. The purchase price is paid in cash and through the offset issue of 186,237 shares in Netel Holding.

Netel is a leading player in critical infrastructure in Northern Europe. Until 2021, the Group has focused on power and fixed and mobile telecom networks. In 2021, Netel began to build a position within the attractive market for water and sewage as well as district heating. Initially, Netel has initially focused on establishing itself in Sweden with the ambition to expand operations within water and sewage as well as district heating also in other Northern European markets. The underlying European market for water and sewage as well as district heating is stable and faces the need for extensive modernization.

Bredbyns Schakt operates in power too, which also has a stable underlying development and is driven by the need to expand the capacity of the electricity grids and to manage the introduction of new renewable energy sources.

"Bredbyns Schakt has a strong position locally, and broadens us to Northern Sweden in key markets," says Ove Bergkvist, President and CEO of Netel. "Bredbyns Schakt also contributes with a strong customer base and a good order backlog for 2023."

"We are looking forward to become part of the reputable Netel Group", says Jimmy Lundgren, CEO of Bredbyns Schakt. "Being part of the Netel Group gives us good opportunities to expand with new customers and even bigger contracts."

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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 750 employees. Read more at www.netelgroup.com.

Attachments

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