

Karnell Acquires NE Engineering in the UK

Karnell Group AB (publ) ("Karnell"), a long-term and engaged owner of leading industrial technology companies, announces the acquisition of NE Engineering LTD ("NE"), a precision engineering company specializing in CNC milling and turning of small and complex components for demanding environments. Founded in 2009 and based in Norwich, Norfolk, NE has sales of approximately GBP 5 million with strong profitability.

"We are pleased to welcome NE to Karnell and look forward to supporting the company in its continued growth," says Petter Moldenius, CEO of Karnell. "We are impressed by NE's technical expertise and robust customer relationships, which have driven strong organic growth. We believe there is significant potential to expand with customers in selected segments who value NE's capabilities."

NE's main customers operate in subsea telecom, niche automotive, energy, and food processing. Through its technical know-how and flexible approach, NE Engineering has been a reliable partner to its largest customers for many years. While the majority of turnover is in the UK, many end products are exported internationally.

"This marks our second acquisition in the UK, and we see great potential for collaboration between NE Engineering and Plalite, the precision engineering manufacturer we acquired in 2023. While their offerings are complementary, they can share best practices and benefit from cross-pollination within their customer bases," adds Moldenius.

Neil Ellis and Daniel Clements from NE commented, "We look forward to developing NE through the new collaboration with Karnell. They have shown a strong understanding of our business and share our vision for growth. Karnell's experience in the field within the group will be invaluable to us."

Karnell has acquired 90.1% of the shares in NE, with an option to acquire the remaining shares. Additionally, Karnell has committed to a performance-based earnout contingent on NE's performance in 2024 and 2025. Neil Ellis and Daniel Clements will retain 9.9% of the shares and continue in their current roles.

NE will become part of Karnell's Niche Production business area, contributing positively to Karnell's earnings per share on an annual basis.

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About Us

Karnell is a growth-oriented industrial technology group that acquires and develops small and medium-sized product companies and niche-producing companies through a systematic and proactive acquisition strategy. With an eternal ownership horizon and decentralized decision-making model, Karnell provides entrepreneurs and family-owned businesses with a long-term and responsible partner. The company's business concept is to identify and acquire companies with an attractive financial profile and develop these businesses by leveraging the group's tools and expertise. The group consists of 14 companies in Sweden, Finland, and the United Kingdom. Karnell is listed on Nasdaq Stockholm.

Attachments

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