

Alcadon Group discontinues its German operations

Alcadon Group has decided to discontinue the operational activities of Alcadon GmbH (Germany) and prioritise geographies and market segments with stronger gross margins and lower tied-up capital. The discontinuation will be completed in 2026 and affects two locally employed staff, who during the discontinuation period will focus on sell-out of remaining inventory.

From December 2025, the German operations will be reported separately in Alcadon Group's income statement as discontinued operations in accordance with IFRS 5 and will therefore not be included in Alcadon Group's adjusted operating profit (EBITA adjusted) for the fourth quarter and full year 2025.

The discontinuation will preliminary reduce Alcadon Group's sales in 2025 by -79 MSEK and increase adjusted operating profit (EBITA adjusted) by 5.6 MSEK. Alcadon Group's sales for the fourth quarter will decrease by -16 MSEK and adjusted operating profit (EBITA adjusted) will increase by 1.4 MSEK.

The costs for discontinuation, which due to the separate reporting will not be included in Alcadon Group's EBITA adjusted, are estimated to approximately -54 MSEK in total, of which approximately -49 MSEK will be reported in the fourth quarter of 2025 and consist of write-downs of inventory, accounts receivable and goodwill. The remaining approximately -5 MSEK are expected operational discontinuation costs during 2026.

The net cash flow effect of the discontinuation, including inventory sell-out, is estimated to approximately 0 to 10 MSEK, to be realised during 2026. The discontinuation of the German operations will improve Alcadon Group's profitability measure P/WC through both improved profit and reduced working capital.

The summary below shows preliminary sales and operating profit for the discontinued German operations for the fourth quarter and full year 2025, as well as Alcadon Group's historically reported adjusted operating profit (EBITA adjusted) before and after the discontinuation.

Alcadon Germany

MSEK	Q4 2025	Q4 2024	Full year 2025	Full year 2024
Revenue	16	13	79	103
Adjusted EBITA	-1.4	-6.3	-5.6	-10.2
Adjusted EBITA %	-8.7%	-47%	-7.1%	-9.9%

Quarterly comparison of operating profit (EBITA adjusted)

MSEK	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025
Reported EBITA adjusted (Group)	20.5	24.8	21.8	22.2	23.3
EBITA adjusted (Germany)	-1.9	-6.3	-2.9	-1.6	+0.3
EBITA adjusted excluding Germany (Group)	22.4	31.1	24.7	23.8	23.0

The decision to discontinue the German operations is based on a long-term analysis of Alcadon Group's current operations in eight European countries within three main market segments: structured cabling, data centres and broadband. Since 2024, the European broadband market has changed significantly, with a clear decline in demand and, consequently, increased competition and pressure on margins.

The reason for decreased demand is that several countries have now reached high levels of broadband-connected homes, while planned broadband rollouts in markets with lower degree of connected homes have stalled for various reasons.

As a distributor of network infrastructure, the Alcadon Group has been affected by reduced sales in the broadband segment in most of its subsidiaries, which has been partially offset by growth in particularly the data centre segment in subsidiaries active in multiple market segments.

Our current operations in Germany are heavily dependent on the broadband segment, and the changed market situation has had a negative impact on us, resulting in losses over a longer period. Over the past year, we have implemented both management changes and cost adjustments in Germany, while continued low demand has led to increased margin pressure to such an extent that the measures undertaken have not been sufficient. In addition, we have a challenge with large inventory levels of customer-specific products in Germany that are at risk of obsolescence.

Although our long-term assessment is that the broadband roll-out in Germany will continue and over time come on a par with other countries, the competition for broadband projects is predicted to be so fierce that our current operations in Germany, with only one market segment to stand on, will not contribute to the Group's financial targets in the foreseeable future.

Alcadon Group has therefore decided to discontinue its operations in Germany and prioritise geographies and market segments where we can achieve stronger gross margins with higher capital efficiency. At the same time, our remaining subsidiaries need to complete ongoing adjustments to new market conditions and continue their work on strengthening profitability in order to create long-term increased shareholder value.

The financial information above is preliminary. Alcadon Group will publish its year-end report for 2025 on 19 February 2026.

This information is information that Alcadon Group is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2026-01-15 08:55 CET.

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About Alcadon Group

Alcadon Group is a Swedish publicly traded company group founded in 1988 that acquires, owns and develops leading companies and brands within systems, solutions and products for network infrastructure and data communication, with the vision of becoming a leading competence partner in the digitalisation of society. Alcadon Group currently operates through independent subsidiaries in Sweden, Norway, Denmark, Germany, the United Kingdom, Ireland, Belgium and the Netherlands.

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Attachments

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