

Press release 6 August 2019 at 18.00 CET

Eltel divests its Polish Communication business

Eltel has signed an agreement to divest its Polish Communication business to VINCI Energies, a global player in concessions and contracting. The total consideration of the transaction is about EUR 12.7 million. The transaction is expected to close during the third quarter of 2019.

The transaction is estimated to give a positive cash flow impact of EUR 10 million and have a net positive result of approximately EUR 1 million on Group EBIT. The divestment is subject to regulatory approval.

– We have successfully developed Communication Poland during the years, and we are satisfied to find a new owner who can continue the unit’s positive development. The transaction creates value for us and our shareholders by strengthening our balance sheet and our Nordic focus, says Casimir Lindholm, President and CEO of Eltel.

The divestment is a part of the strategy where Eltel more clearly focuses on developing the Nordic market, and where the company has a leading market position, high level of expertise, and in which the business model is repetitive and primarily targeted towards build, service and maintenance.

In 2018, Eltel’s Polish Communication business had about 220 employees and a net sales of about EUR 20 million.

For further information:

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About Eltel

Eltel is a leading Northern European provider of technical services for critical infrastructure networks – Infranets – in the segments of Power, Communication and Other, with operations throughout the Nordics, Poland and Germany. Eltel provides a broad, integrated range of services from maintenance and upgrade services to project deliveries. Eltel has a diverse contract portfolio and a growing customer base of large network owners. In 2018, Eltel had annual sales of EUR 1.2 billion. The total number of employees currently stands at around 7,100. Eltel AB has been listed on Nasdaq Stockholm since 2015.