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Eltel divests its German Communication business

Eltel has signed an agreement to divest its German Communication business to Circet Group, a European telecom network service provider. The total consideration of the transaction is about EUR 19 million. The transaction is expected to close at the end of the first quarter of 2020.

The transaction is estimated to give a positive cash flow impact of EUR 19 million and have a net positive result of approximately EUR 13 million on Group EBIT. The divestment is subject to customary approvals.

– We have over time successfully developed Communication Germany, and we are now satisfied to find a new strong industry 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 Eltel's strategy to more clearly focus on developing the Nordic market, 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 2019, Eltel's German Communication business had about 200 employees and net sales of about EUR 36 million.

For further information:

Elin Otter, Director, Communications and Investor Relations
Tel: +46 72 595 4692, elin.otter@eltelnetworks.se

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 7,000. Eltel AB has been listed on Nasdaq Stockholm since 2015.