

Press release 3 April 2019 at 21.00 CET

Eltel focuses on the Nordic market - evaluates strategic alternatives for its Polish and German operations

In line with the new strategy, Operational Excellence, Eltel has initiated a strategic evaluation of the company's operations outside the Nordics, including a potential divestment.

A divestment of operations in Poland and Germany would mean that Eltel takes the next step in its strategy and focuses more clearly 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 combination with the operational and efficiency improvements that are taking place in Eltel, a Nordic focus with lower risk and fewer capital-intensive projects would enable us to continue to develop, grow and invest in the company to ensure long-term sustainable value creation for the company and its shareholders. Our long-term goal is to return to an EBITA margin of 5% with a stable cash flow and a healthy balance sheet," says Casimir Lindholm, President and CEO of Eltel.

In Poland and Germany, Eltel is active in the Power and Communication segments. In 2018, the operations in the two countries had about 1,800 employees and net sales of about 175 MEUR, which corresponds to approximately 15% of the turnover of the Eltel Group.

The evaluation is initiated and a potential divestment of operations in Poland and Germany may take place during 2019 and 2020.

For further information:

Petter Traaholt, CFO

Tel: +46 72 595 4749, petter.traaholt@eltelnetworks.se

Eltel AB discloses the information provided herein pursuant to the EU's Market Abuse Regulation. The information was submitted for publication, through the agency of the above contacts, on 3 April 2019 at 21.00 p.m. CET.

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 7,400. Eltel AB has been listed on Nasdaq Stockholm since 2015.