

## **Impairments in three subsidiaries and market changes affect Netel's results 2025 – measures for increased profitability initiated**

**In the second half of 2025, Netel is impacted by impairments in three subsidiaries acquired in 2021–2022, as well as by lower expected volumes and deteriorating market conditions, mainly within the Infraservices and Telecom divisions. Netel estimates that revenue for the full year 2025 will amount to approximately SEK 3 billion with an adjusted EBITA margin of 1.5–2%.**

The expected revenue represents a decrease of around 9% compared with 2024, deviating from the Group's target of 3–5% annual organic growth.

The expected adjusted EBITA margin of 1.5–2% for the full year deviates from the Group's financial target of an annual adjusted EBITA margin of 5–7%.

Other operations, excluding the above-mentioned companies, which account for more than 90% of Netel's expected 2025 revenue, are estimated, despite lower volumes due to market changes, to show an adjusted EBITA margin of approximately 4–5% for the full year 2025.

Since more projects than expected are in the start-up phase during the second half of 2025, Netel's capital tie-up is also temporarily affected negatively.

The above-mentioned impairments mainly concern completed projects and are not expected to have any future impact on cash flow.

Management has actively chosen to focus Netel on profitability and has therefore set clear long-term margin targets in project procurement, which in turn affects the growth rate. In addition, management has already initiated the following measures to address the challenges in the three subsidiaries mentioned above and to improve the Group's profitability in the coming years:

- Strategic review and focus of operations in the UK.
- New management and new profitable agreements entered into at a subsidiary within Power.
- New organisation and new profitable agreements entered into a subsidiary within Infraservices.
- Cost savings within central functions in Sweden and Norway, with an expected EBITA improvement of at least SEK 25 million. A portion of these savings has already been implemented, and the full effect is expected in 2026.

Netel will provide further comments in connection with the publication of the third quarter 2025 report at 07:30 a.m. CEST on Friday 24 October.

All figures for 2024 refer to the Group after adjustment for the divestment of the Finnish operations in June 2025.

## About us

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With 25 years of experience, Netel is a leader in the development and maintenance of critical infrastructure within Infraservices, Power and Telecom in Northern Europe. We are involved in the entire value chain from design, production and maintenance of our customers' facilities. We are dedicated to securing an accessible and reliable future, where technology unites and transforms society. Netel reported net sales of SEK 3,300 million in 2024 and the number of employees in the group is about 840. Netel is listed on Nasdaq Stockholm since 2021. Read more at [netelgroup.com](https://netelgroup.com).

## Contacts

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## Attachments

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**[Impairments in three subsidiaries and market changes affect Netel's results 2025 – measures for increased profitability initiated](#)**