Contents

» Market Overview 4
» Drivers and Challenges 6
» Market Trends 8
» Firm Overview 10
» M&A Drivers 12
» Key M&A Transactions 14
» Buy-and-build Showcase: ESAS Group 18
» IMAP Credentials 20
» Contact Information 28
INTRODUCTION

“This highly fragmented market has already begun to show signs of consolidation. The many factors driving the need for economies of scale, in conjunction with stable growth prospects, form the ideal landscape for M&A activity.”

Axel Fuhri-Snethlage
IMAP Netherlands

The energy transition, digitization of society, growth in the number of data centers and the outdated sewage system are just a few of the things that will determine developments in the market for underground infrastructure.

Our electricity network capacity is insufficient to absorb the growing production of renewable energy. Furthermore, the projected expansion in the number of data centers alone, will account for 8% of energy consumption in the near future.

The driverless car, artificial intelligence, machine learning, internet of things and the digitization of healthcare all drive the need for data. Not only the volume of data, but also reducing latency, will drive investments in fiber optic networks and the introduction of 5G networks.

Climate changes also have a huge impact on the sewage and wastewater infrastructure. Most cities are struggling with a legacy of old pipelines and are facing substantial replacement investments, investment which, despite the building restrictions imposed by the Dutch government in its effort to reduce PFAS and nitrogen depositions, can no longer be postponed.

Historically, the cables and pipes market was a highly fragmented local market. Increasing project sizes and in skilled staff, all demonstrate the need for economies of scale.

This, combined with the stable growth prospects, form the ideal basis for a market consolidation. In 2019, we already saw the beginning of this, with both trade buyers and private equity investors presenting themselves as buyers.
MARKET OVERVIEW

SNAPSHOT OF THE MARKET

Replacement value Dutch underground infra

$ 200 B
According to COB estimates, the total replacement value of Dutch underground cables and pipes ranges somewhere between €100-300 billion.

Dutch gas infrastructure investments

€ 635 M
Annual spend in the Netherlands on gas infrastructure maintenance and replacements, which is primarily used for heating purposes.

Dutch telecom infrastructure investments

€ 2.300 M
Annual spend in the Netherlands on the improvement and construction of new telecom infrastructure.

Dutch electricity infrastructure investments

€ 580 M
Annual spend in the Netherlands on the maintenance and replacement of electricity cables, both above and underground.

Drinking water infrastructure investments

€ 350 M
Annual spend in the Netherlands on drinking water infrastructure maintenance and replacements.

Wastewater infrastructure investments

€ 650 M
Annual spend in the Netherlands on the maintenance and replacement of sewage and wastewater infrastructure.

EBITDA multiples

4.5x – 6.5x
Typical transaction multiple range in the Netherlands for contractors in the fiber-optic and coaxial underground infrastructure fields.

EBITDA multiples

5.5x – 8.0x
Typical transaction multiple range in the Netherlands for contractors in the electricity underground infrastructure field.

EBITDA multiples

5.5x – 8.0x
Typical transaction multiple range in the Netherlands for contractors in the water and wastewater infrastructure fields.

Sources: COB (Centrum Ondergronds Bouwen)
A Market Subject to a Multitude of Drivers...

<table>
<thead>
<tr>
<th>SOCIAL DRIVERS</th>
<th>RESILIENCE DRIVERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>As urbanization causes cities to grow, the efficient use of space will become increasingly important. An increased use of space underground helps conserve adequate space aboveground for necessary infrastructure with social benefits, such as parks and squares.</td>
<td>Aboveground infrastructure is prone to damage under extreme weather conditions such as storms and flooding. Extreme weather conditions are predicted to increase in frequency due to impending global warming, increasing the relative attractiveness of underground infrastructure not exposed to the elements of nature, therefore, improving the city’s resilience.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ECONOMIC DRIVERS</th>
<th>ENVIRONMENTAL DRIVERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underground infrastructure is generally perceived to be more expensive than aboveground counterparts. However, underground infrastructure can be economically appealing due to a longer lifespan of constructions. Furthermore, there is a significantly lower risk of damage from weather and seismic events, which reduces the necessity of (regular) maintenance.</td>
<td>Infrastructure unavoidably has a certain degree of environmental impact. However, underground infrastructure is relatively more environmentally friendly, as it conserves natural surface resources such as land, water and biodiversity. This reduces the overall footprint of infrastructure by keeping aboveground construction at a minimum.</td>
</tr>
</tbody>
</table>

Various Challenges Ahead...

<table>
<thead>
<tr>
<th>LACK OF VISIBILITY</th>
<th>LIMITED SPACE</th>
<th>ISOLATION CONTROL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underground space is not easily visible or accessible, which increases the risk of collateral damage to current infrastructure in place when undertaking new projects. This makes additions to current underground infrastructure networks relatively challenging. New technologies such as the Dutch KLIC system help circumvent this problem.</td>
<td>Only the first 30 meters beneath the surface is used for most urban infrastructure. Underground space, therefore, must be used efficiently to adequately fit water, electricity, sewage and data related infrastructure. New projects will become increasingly complex, as space becomes scarcer with every addition to the underground infrastructure network.</td>
<td>Underground infrastructure must be adequately protected from ground water in order to prevent deterioration and defects. Additionally, underground cables must be coated to prevent harmful substances contaminating ground water. Any measures that need to be taken to tackle these challenges raise the costs of material placed underground.</td>
</tr>
</tbody>
</table>

Sources: Engineering Management Institute, US National Research Council
**Energy transition**

The EU aims to be over 70% solar- and wind energy powered by 2040. In order to achieve this goal, significant investments will be needed in electricity wire and storage infrastructure to accommodate the transfer of energy from solar panels and windmills to consumers.

**Utility mapping**

New technologies have enabled the accurate mapping of underground utilities, preventing damage to current underground utilities when placing new infrastructure. Now, underground infrastructure can be placed with greater efficiency and a decreased chance of collateral damage and delays.

**Shortage of workforce**

Low interest rates across the globe have spurred increasing investments in infrastructure, which has led to a global shortage of capable workforce to carry out infrastructure projects. Training a large pool of new workers takes time, which may lead to further shortages should infrastructure demand increase further.

**Communications infrastructure**

Current telecommunications networks will be unable to support the increase in mobile traffic in the near future, in part due to the emergence of 5G networks. The surge in demand for data due to these innovations will lead to significant investments in fiber optic infrastructure, increasing underground construction activity.

**Aging pipelines**

Pipelines placed after the 2nd world war have a useful life of around 75 years, meaning that a large share of global pipelines will need replacing in the coming 2 decades. The AWWA has estimated that restoration expenditures will exceed $1 trillion before 2035.

**Eco regulations**

Underground construction has been subject to an increasing degree of scrutiny from governmental and environmental organizations, due to concerns regarding nitrogen and PFAS emissions. This will lead to a decrease in the number of permits for construction in protected nature zones and more preventive regulations imposed on firms in the sector.

**Data centers**

In 2019, data centers consumed about 2% of electricity worldwide, which is estimated to increase to 8% of the global total by 2030, due to a rising demand for data. The need for electricity to power data centers will spur underground construction activity in electric and fiber optic cabling.

**Data efficiency**

The world is becoming increasingly skilled at using data for predictive purposes. As this trend progresses, data will be used to predict maintenance and operational requirements before they turn into problems. This will lead to an increase in efficiency and a decrease in operational costs for infrastructure companies.

Sources: Deloitte Water Infrastructure Report, Resources for the Future, Uconline, Bloomberg, KPMG.
HIGHLY FRAGMENTED WITH VARIOUS ATTRACTIVE NICHES

Source: IMAP analysis
Attractiveness of infrastructure market

- Growing demand for data
  A rising reliance on data increases the demand for adequate cabling networks to support internet traffic. This drives M&A activity in the underground sector as firms compete for construction contracts to cater to this demand.

- Aging pipelines
  Current wastewater pipelines are coming of age and in need of renewal. An increase in governmental investments in the renewal of these pipelines provides opportunities for M&A deal activity in the sector.

- Energy transition
  Governmental support of renewable energy plans provides an attractive investment landscape for the renewable construction sector. This support is complemented by the widespread availability of financial sponsors, providing construction firms with enough liquidity to expand their scale of business, both organically and through acquisitions.

Deal motivation for private equity

- Buy-and-build
  PE parties can complement the organic growth of portfolio companies with buy-and-build strategies. The acquisition of 51% of ESAS Group by Buysse & Partners, provided the company with sufficient funding to conduct a buy & build strategy that strengthened its market position in fiber optics and telecommunications.

- Organic growth
  A favorable outlook for the underground infrastructure market provides ample opportunities for organic growth. Mentha Capital acquired Van Vulpen after seeing potential for growth and innovation.

- Disruptive technologies
  PE parties can provide sufficient funding to upscale R&D investments in portfolio companies and develop disruptive technologies. Several PE parties provided funding to Elon Musk’s “The Boring Company”, which aims to build tunnels for hyperloop transportation.

Driving deal activity

- Shortage of capacity
  A global spur in demand for construction activities following the 2008 financial crisis has led to a significant scarcity of capable workforce in the sector. Firms in the sector are consequently using M&A as a method to acquire additional human capital capacity.

- Internationalization
  Establishing a regional presence through the acquisition of local players is often more efficient than opening a new office abroad. ESAS’ acquisition of Teletronika provided a quick entry into the Dutch Underground Infrastructure market.

- Compliance
  Recent political focus on climate change and nitrogen exposure from construction activities has led the industry to be subject to an increased degree of scrutiny. Uncertainty regarding future regulations and compliance in the construction sector will likely dampen M&A activity.

Deal motivation for strategic parties

- Gain expertise
  Strategic parties can acquire additional knowledge in underground infrastructure niches through acquisitions. The acquisition of McNicholas allowed Kier to boost its expertise in utilities and infrastructure services.

- Strengthen market position
  Strategic parties can gain or expand their presence in underground infrastructure niches through acquisitions. The acquisition of SAG by Spie allowed the acquirer to establish its position as one of the European market leaders in energy infrastructure.

- Expand scale of activities
  M&A transactions allow a strategic acquirer to gain access to additional projects and clients. Enercity acquired RTi Germany Rohrleitungsbau to expand its operations in Germany.

<table>
<thead>
<tr>
<th>TARGET</th>
<th>ACQUIRER</th>
<th>TARGET COUNTRY</th>
<th>ACQUIRER COUNTRY</th>
<th>DATE</th>
<th>TARGET UNDERGROUND INFRASTRUCTURE NICHE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gebr. van der Steen bv</td>
<td>Van Dorp</td>
<td>NL</td>
<td>NL</td>
<td>Jan/20</td>
<td>Water, Tunneling/Excavation</td>
</tr>
<tr>
<td>spitters</td>
<td>esas</td>
<td>NL</td>
<td>NL</td>
<td>Dec/19</td>
<td>Water</td>
</tr>
<tr>
<td>Van Vulpem</td>
<td>Mentha Capital</td>
<td>NL</td>
<td>NL</td>
<td>Dec/19</td>
<td>Water, Tunneling/Excavation</td>
</tr>
<tr>
<td>Eltel</td>
<td>Vinci</td>
<td>NL</td>
<td>NL</td>
<td>Oct/19</td>
<td>Water</td>
</tr>
<tr>
<td>The Boring Company</td>
<td>MBB</td>
<td>US</td>
<td>US</td>
<td>Jun/19</td>
<td>Water, Tunneling/Excavation</td>
</tr>
<tr>
<td>Assemblin</td>
<td>IVM</td>
<td>SE</td>
<td>SE</td>
<td>Jun/19</td>
<td>Water</td>
</tr>
<tr>
<td>VK Ab</td>
<td>Eleda</td>
<td>SE</td>
<td>SE</td>
<td>Jun/19</td>
<td>Water</td>
</tr>
<tr>
<td>INFRA SERVICES</td>
<td>North Group</td>
<td>SE</td>
<td>SE</td>
<td>May/19</td>
<td>Water</td>
</tr>
<tr>
<td>System Services</td>
<td>Future Telecom</td>
<td>US</td>
<td>US</td>
<td>May/19</td>
<td>Water</td>
</tr>
<tr>
<td>salini impregilo</td>
<td>Y-Com</td>
<td>IT</td>
<td>IT</td>
<td>Apr/19</td>
<td>Water, Tunneling/Excavation</td>
</tr>
<tr>
<td>salini impregilo</td>
<td>MBP</td>
<td>IT</td>
<td>IT</td>
<td>Apr/19</td>
<td>Water</td>
</tr>
<tr>
<td>Verbraeken Infra</td>
<td>Andale</td>
<td>BE</td>
<td>BE</td>
<td>Apr/19</td>
<td>Water</td>
</tr>
<tr>
<td>Bam infra</td>
<td>Teletronic</td>
<td>BE</td>
<td>BE</td>
<td>Mar/19</td>
<td>Water</td>
</tr>
<tr>
<td>SEU</td>
<td>KSS ENERGIA</td>
<td>NL</td>
<td>NL</td>
<td>Mar/19</td>
<td>Water</td>
</tr>
<tr>
<td>Teletronic</td>
<td>Esas</td>
<td>NL</td>
<td>NL</td>
<td>Feb/19</td>
<td>Water</td>
</tr>
<tr>
<td>RTi</td>
<td>Enercity</td>
<td>DE</td>
<td>DE</td>
<td>Jan/19</td>
<td>Water</td>
</tr>
<tr>
<td>Planet Services</td>
<td>Centuri</td>
<td>US</td>
<td>US</td>
<td>Nov/18</td>
<td>Water</td>
</tr>
<tr>
<td>SELI</td>
<td>Salini Impregilo</td>
<td>IT</td>
<td>IT</td>
<td>Oct/18</td>
<td>Water, Tunneling/Excavation</td>
</tr>
<tr>
<td>MWH</td>
<td>Oaktree</td>
<td>US</td>
<td>US</td>
<td>Oct/18</td>
<td>Water</td>
</tr>
<tr>
<td>SDT</td>
<td>Union</td>
<td>US</td>
<td>US</td>
<td>Oct/18</td>
<td>Water</td>
</tr>
<tr>
<td>salini impregilo</td>
<td>Van Gelder</td>
<td>NL</td>
<td>NL</td>
<td>Jul/18</td>
<td>Water</td>
</tr>
<tr>
<td>DCL</td>
<td>Spie Batignolles</td>
<td>FR</td>
<td>FR</td>
<td>May/18</td>
<td>Water</td>
</tr>
<tr>
<td>Eurovia</td>
<td>PSC Primoris</td>
<td>FR</td>
<td>FR</td>
<td>Mar/18</td>
<td>Water</td>
</tr>
</tbody>
</table>

Sources: Mergermarket, logos from company websites, IMAP proprietary sources
<table>
<thead>
<tr>
<th>TARGET</th>
<th>ACQUIRER</th>
<th>TARGET COUNTRY</th>
<th>ACQUIRER COUNTRY</th>
<th>DATE</th>
<th>TARGET UNDERGROUND INFRASTRUCTURE NICHE</th>
</tr>
</thead>
<tbody>
<tr>
<td>EDS</td>
<td>Eiffage</td>
<td>Spain</td>
<td>Spain</td>
<td>Jan/18</td>
<td><img src="water_icon" alt="Water" /> <img src="utility_mapping_icon" alt="Utility mapping" /></td>
</tr>
<tr>
<td>Tijaden</td>
<td>hölscher wasserbau</td>
<td>Netherlands</td>
<td>Germany</td>
<td>Nov/17</td>
<td><img src="water_icon" alt="Water" /></td>
</tr>
<tr>
<td>Alan Aud</td>
<td>Golder</td>
<td>United Kingdom</td>
<td>Canada</td>
<td>Oct/17</td>
<td><img src="water_icon" alt="Water" /> <img src="utility_mapping_icon" alt="Utility mapping" /></td>
</tr>
<tr>
<td>Groep TSB</td>
<td>Esas</td>
<td>Belgium</td>
<td>Belgium</td>
<td>Aug/17</td>
<td><img src="water_icon" alt="Water" /> <img src="utility_mapping_icon" alt="Utility mapping" /></td>
</tr>
<tr>
<td>Kimme</td>
<td>Standard Investment</td>
<td>Finland</td>
<td>Finland</td>
<td>Jul/17</td>
<td><img src="water_icon" alt="Water" /> <img src="utility_mapping_icon" alt="Utility mapping" /></td>
</tr>
<tr>
<td>Aegion</td>
<td>Kier</td>
<td>United Kingdom</td>
<td>United Kingdom</td>
<td>Jul/17</td>
<td><img src="water_icon" alt="Water" /> <img src="utility_mapping_icon" alt="Utility mapping" /></td>
</tr>
<tr>
<td>DNWG</td>
<td>Stedin</td>
<td>Netherlands</td>
<td>Netherlands</td>
<td>Mar/17</td>
<td><img src="water_icon" alt="Water" /> <img src="utility_mapping_icon" alt="Utility mapping" /></td>
</tr>
<tr>
<td>Heymans</td>
<td>Besix</td>
<td>Belgium</td>
<td>Belgium</td>
<td>Feb/17</td>
<td><img src="water_icon" alt="Water" /> <img src="utility_mapping_icon" alt="Utility mapping" /></td>
</tr>
<tr>
<td>Harker</td>
<td>Abergeldie</td>
<td>United Kingdom</td>
<td>United Kingdom</td>
<td>Feb/17</td>
<td><img src="water_icon" alt="Water" /> <img src="utility_mapping_icon" alt="Utility mapping" /></td>
</tr>
<tr>
<td>Esas</td>
<td>Buysse &amp; Partners</td>
<td>Belgium</td>
<td>Belgium</td>
<td>Dec/16</td>
<td><img src="water_icon" alt="Water" /> <img src="utility_mapping_icon" alt="Utility mapping" /></td>
</tr>
<tr>
<td>*SAG</td>
<td>Spie</td>
<td>Germany</td>
<td>France</td>
<td>Dec/16</td>
<td><img src="water_icon" alt="Water" /> <img src="utility_mapping_icon" alt="Utility mapping" /></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TARGET</th>
<th>ACQUIRER</th>
<th>TARGET COUNTRY</th>
<th>ACQUIRER COUNTRY</th>
<th>DATE</th>
<th>TARGET UNDERGROUND INFRASTRUCTURE NICHE</th>
</tr>
</thead>
<tbody>
<tr>
<td>VBMS</td>
<td>Boskalis</td>
<td>Netherlands</td>
<td>Netherlands</td>
<td>Jul/16</td>
<td><img src="electric_cabling_icon" alt="Electric cabling" /> <img src="wastewater_icon" alt="Wastewater" /></td>
</tr>
<tr>
<td>TCEs</td>
<td>Quanta Services Inc</td>
<td>United States</td>
<td>United States</td>
<td>Jun/16</td>
<td><img src="water_icon" alt="Water" /> <img src="utility_mapping_icon" alt="Utility mapping" /></td>
</tr>
<tr>
<td>Eiffage</td>
<td>Quantum</td>
<td>France</td>
<td>Germany</td>
<td>Jun/16</td>
<td><img src="electric_cabling_icon" alt="Electric cabling" /> <img src="district_heating_icon" alt="Distric heating" /></td>
</tr>
<tr>
<td>Mcnicholas</td>
<td>Pph</td>
<td>United States</td>
<td>United States</td>
<td>May/16</td>
<td><img src="water_icon" alt="Water" /> <img src="utility_mapping_icon" alt="Utility mapping" /> <img src="electric_cabling_icon" alt="Electric cabling" /></td>
</tr>
<tr>
<td>Dura Vermeer</td>
<td>Mno Partners</td>
<td>Netherlands</td>
<td>Netherlands</td>
<td>Apr/16</td>
<td><img src="water_icon" alt="Water" /> <img src="utility_mapping_icon" alt="Utility mapping" /></td>
</tr>
<tr>
<td>Ids</td>
<td>Hexagon</td>
<td>Italy</td>
<td>Sweden</td>
<td>Mar/16</td>
<td><img src="electric_cabling_icon" alt="Electric cabling" /></td>
</tr>
<tr>
<td>Talokaivo</td>
<td>Pipelife</td>
<td>Finland</td>
<td>Finland</td>
<td>Feb/16</td>
<td><img src="water_icon" alt="Water" /> <img src="utility_mapping_icon" alt="Utility mapping" /></td>
</tr>
<tr>
<td>Blackwell</td>
<td>Hargreaves</td>
<td>United Kingdom</td>
<td>United Kingdom</td>
<td>Jan/16</td>
<td><img src="electric_cabling_icon" alt="Electric cabling" /> <img src="utility_mapping_icon" alt="Utility mapping" /></td>
</tr>
<tr>
<td>Bachmann Plant Hire</td>
<td>MRS</td>
<td>United Kingdom</td>
<td>United Kingdom</td>
<td>Jan/16</td>
<td><img src="electric_cabling_icon" alt="Electric cabling" /> <img src="utility_mapping_icon" alt="Utility mapping" /></td>
</tr>
<tr>
<td>SCCS</td>
<td>Hexagon</td>
<td>United Kingdom</td>
<td>Sweden</td>
<td>Jan/16</td>
<td><img src="electric_cabling_icon" alt="Electric cabling" /> <img src="utility_mapping_icon" alt="Utility mapping" /></td>
</tr>
</tbody>
</table>

Sources: Mergermarket, logos from company websites, IMAP proprietary sources.
ESAS was founded, providing infrastructure

2001

ESAS automation becomes an expert in industrial installation solutions

2003

TRANSACTION HISTORY

RATIONAL

2000

Establishment of ESAS group

• Founded. Provides traditional infrastructure services.
• 2 employees.

2016

Acquisition of Buysse & Partners

• Buysse & Partners acquires a 51% stake in ESAS, which allows ESAS to further expand its IoT-service business both organically and through acquisitions.
• ESAS management remains a significant shareholder in the firm.

2017

Acquisition of Groep TSB

2019

Acquisitions of:

Teletronika

Groep TSB

The acquisition of groep TSB allows ESAS to gain economies of scale and service range expansions, such as smart building management.

Teletronika

The acquisition of Teletronika allows ESAS to tap into the growing market of fiber optic cabling. The imminent increase in data usage will lead to an exponential growth in this sector.

2020

Establishment of Market leading position

• Through a combination of organic growth and M&A transactions, ESAS group has established its position as a European market leader in telecom infrastructure.
• Over 1000 employees.

Source: Mergermarket

BUY-AND-BUILD SHOWCASE: ESAS GROUP
IT SERVICES COMPANY, ESAS GROUP, ACQUIRES TELECOM INFRASTRUCTURE SPECIALISTS, TELETRONIKA, ALONG WITH A STAKE IN LOMITEL-ZUID 2019

DEAL HIGHLIGHTS

▪ IMAP advised on the sale of the Teletronika Group and a 50% stake in Lomitel-Zuid B.V. to ESAS. Both companies are engaged in the design, construction and maintenance of fiber-optic and coaxial networks. Both companies combined comprise 6 locations in the Netherlands and a subsidiary in Belgium.

▪ In addition, Teletronika, Lomitel and another fellow industry player operate TeleZuid B.V., a commercial vehicle to secure large tenders, as a joint venture. Teletronika and Lomitel's combined 50% stake in TeleZuid was an integral part of the transaction.

▪ ESAS group, the buyer, is a Belgian company engaged in providing information and communication technology, the installation, monitoring and maintenance of any connected device with end-to-end remote services, field services and outsourcing and software solutions.

▪ The sellers’ wish to retire drove the transaction and the private equity-backed buyer executed a buy-and-build strategy.

MARKET OUTLOOK

▪ The market for underground infrastructure contractors is characterized by high client dependency, with a few large strategic players, including powerful telecom powerhouses, such as KPN and VodafoneZiggo.

▪ KPN and VodafoneZiggo prefer to engage with as few suppliers as possible. Therefore, contractors are expected to be able to offer the most complete package of services, resulting in a high level of market consolidation, joint ventures such as TeleZuid and other M&A opportunities.

▪ There are a number of active regional parties that will sooner or later be taken over by (inter)national strategists.

VALUATION SUMMARY

▪ Transaction multiples in the Netherlands for contractors in the fiber-optic and coaxial underground infrastructures fields typically range from 4x – 5x EBITDA.

▪ The buyer was willing to pay a strategic premium for entry in the Dutch market, as well as access to technology previously unavailable to them.

▪ The transaction value was undisclosed.

IMAP APPROACH

▪ IMAP Netherlands acted as sell-side advisor to the majority shareholder. Minority shareholders were predominantly acting company management and committed to moving the company forward.

▪ Significant value was added by IMAP Netherlands, guiding its clients through this complex transaction with numerous different subsidiaries and sets of minority shareholders.

▪ Negotiations on pricing led to a higher than expected deal value and intense due diligence guidance contributed to the execution of the deal.

▪ IMAP Netherlands has a very strong track record in this consolidating industry, completing 10+ deals since 1998.

CLIENT COMMENT

Frank and Adrie de Bakker, Majority Shareholders:

“IMAP, as a competent and trustworthy partner, guided us fantastically through the deal of our lives. Not only did the outcome of the price negotiations exceed our expectations, it gives us enormous satisfaction that with ESAS, our family business has an appropriate new owner who respects our Company and its employees. We give them five out of five stars!”

IMAP Transaction Advisors

REMCO SCHOUTEN
Partner
IMAP Netherlands
rschouten@imap.nl

WILLEM OP DE HOEK
Senior Consultant
IMAP Netherlands
wopdehoek@imap.nl

DAAN ZANDBERGEN
Consultant
IMAP Netherlands
dzandbergen@imap.nl

Informations and communications technologies
NETHERLANDS

Acquired 100% of Business Operations

Fibre optic and coaxial networks
NETHERLANDS

ADVISED ON SALE OF COMPANY

Information and communications technologies
NETHERLANDS

Acquired 50% of Business Operations

Fibre optic and coaxial network design and construction
NETHERLANDS

ADVISED ON SALE OF COMPANY

Informations and communications technologies
NETHERLANDS

Advise on Sale of Company

IMAP

Advise on Sale of Company

IMAP

Advise on Sale of Company
DEAL HIGHLIGHTS

- Highland Group Holdings Ltd., the investment vehicle of Scotland-based Lord Irvine Laidlaw, acquired an 80% equity stake in L2Fiber Rotterdam B.V., to develop, build and operate a citywide, open-access fiber optic network in Rotterdam, the Netherlands.
- IMAP Netherlands acted as exclusive Financial Advisor to Highland.
- L2Fiber was looking to bring fiber optic access to all 295,000 homes in Rotterdam over the next 5 years. The first phase of construction began in August 2018, with the 10,000 homes in Kralingen-West.
- The project finance deal comprised a combination of common equity and shareholder loans, potentially leading to a total equity injection of more than €200 million.
- A construction agreement with a contractor was negotiated by Highland Group Holdings and L2Fiber.

VALUATION SUMMARY

- In collaboration with the Seller’s financial advisor, a sophisticated financial model was created focusing on project finance and investor returns at varying levels of cash injections and equity stakes.
- Highland’s main objectives of achieving certain levels of internal rate of return, while at the same time securing the recovery of its initial investment as soon as possible, served to determine the project valuation and the stake to be acquired by Highland.

IMAP APPROACH

- IMAP Netherlands advised Highland throughout the entire transaction.
- Extensive value was added by evaluating the deal, coordinating due diligence and sounding the financial model.
- IMAP Netherlands provided ample intelligence, market trends and insights on how to approach valuation.

A crucial role was played in all negotiations. Not only between Highland and the Seller, but also with all the other operational future contracting partners.
- IMAP Netherlands drew upon extensive M&A experience within the sector, having successfully completed numerous transactions in the fields of fiber optic networks, infrastructure contracting and installation.

MARKET OUTLOOK

- The network will use Gigabit Passive Optical Network (GPON) technology, which reduces maintenance requirements and energy consumption, making it extremely suitable for highly urbanized areas and the ideal fit for the current sustainability trend.
- In the Netherlands, fiber optic networks have been built for the main in rural areas. If L2Fiber successfully completes the project in Rotterdam, other major cities are likely to follow.
- After the construction phase has been completed, the risk profile of the project will have significantly decreased leading to financial investors such as Highland to exit their investment.

CLIENT COMMENT

Albert Jochems, Director, Highland Group Holdings Ltd.:
“We are very excited about this opportunity to extend fiber coverage in the Netherlands, starting with the city of Rotterdam. We look forward to working with L2Fiber to provide citizens and businesses with access to high quality internet and data services. IMAP-Netherlands was able to quickly and professionally advise on the process and was of great value in successfully completing the transaction.”

HIGHLAND GROUP HOLDINGS AND
L2FIBER PARTNER UP ON STATE-OF-THE-ART PEN-ACCESS FIBER OPTIC NETWORK
2018
DEAL HIGHLIGHTS

IMAP advised on the sale of Koning & Hartman Network Services to Standard Investment. Koning & Hartman Network Services provides end-to-end fixed communication infrastructure services, offering turn-key solutions as a main contractor, consisting of design, engineering, consulting, construction, project management, maintenance and outsourcing of services. The Company comprises 2 locations in the Netherlands.

Standard Investment, the buyer, is a Dutch private equity firm. Standard Investment’s focusses on medium-sized enterprises with revenues between €20m and €200m that are headquartered in the Netherlands or Belgium and have growth and/or improvement potential.

The sellers’ wish to focus on their core activities while exiting from passive network services activities drove the transaction.

- Standard Investment will support Koning & Hartman Network Services to operate as a stand-alone company after the spin-offs from Koning & Hartman.

MARKET OUTLOOK

- The telecom sector is showing a consolidation trend, whereby companies are searching for economies of scale.
- Sharing of telecom infrastructures among service providers is becoming the order of business in the telecom industry where competitors are becoming partners in order to share the increasing investment requirements (searching to reduce TCO and CAPEX).
- As a result, the market for underground infrastructure contractors is characterized by high client dependency, with a few large telecom powerhouses such as KPN and VodafoneZiggo.
- The underground infrastructure market is still fragmented and it’s likely that there will be a wave of consolidation in the short to medium term.

VALUATION SUMMARY

- Transaction multiples in the Netherlands for contractors in the fiber-optic and coaxial underground infrastructures fields typically range from 4x – 5x EBITDA.
- The transaction value remained undisclosed.

IMAP APPROACH

- IMAP Netherlands acted as sell-side advisor to Koning & Hartman to spin-off its network services activities, allowing Koning & Hartman to further concentrate on its core activities.
- Significant value was added by IMAP Netherlands, guiding its clients through this transaction with many complexities arising from the disentanglement of Koning & Hartman’s network services division.
- IMAP Netherlands has a very strong track record in the underground infrastructure industry. Hence, the deal team was well aware of the market dynamics and parties active in the market, resulting in the efficient execution of the deal.

CLIENT COMMENT

Oswald Coene, CEO of Koning & Hartman: “IMAP is a professional organization with profound industry knowledge and an extensive network in the market in which Koning & Hartman finds itself. I experienced the collaboration with Axel Fuhri Snethlage and Daan Zandbergen as very constructive and professional.”
IMAP INDUSTRY EXPERTISE

Highland Group Holding Ltd.
Family office
UNITED KINGDOM
Acquired a Majority Stake
Fibre optic network construction
NETHERLANDS
IMAP ADVISED ON EQUITY PLACEMENT

Elba International N.V.
Multi-technical services provider
BELGIUM
Acquired 100% of Business Operations
Fibre optic and coaxial network design and construction
NETHERLANDS
IMAP ADVISED ON SALE OF COMPANY

Management Gebr VD Donk BV
Management Team
NULAND, NETHERLANDS
Management Buy Out
Builder of fibre cable networks
NULAND, NETHERLANDS
IMAP ADVISED ON SALE OF COMPANY

Elba International N.V.
Industrial conglomerate
STOCKHOLM, SWEDEN
Acquired 100% of Business Operations
Fibre optic and coaxial network design and construction
NETHERLANDS
IMAP ADVISED ON SALE OF COMPANY

Elba International N.V.
World-class player in forestry products industry
NETHERLANDS
Acquired 100% of Business Operations
Fibre optic and coaxial network design and construction
NETHERLANDS
IMAP ADVISED ON SALE OF COMPANY

NeuroFiber
Industry leader in digital infrastructure
MAARSSEN, NETHERLANDS
Acquired 100% of Business Operations
IMAP ADVISED ON SALE OF COMPANY

Teleart
Excavation work and non-building construction
KRISESTAD, SWEDEN
IMAP ADVISED ON SALE OF COMPANY

Koning & Hartmar
Construction of glass reinforced cables
NULAND, NETHERLANDS
IMAP ADVISED ON SALE OF COMPANY

data place
Datamesh
ALBLASSERDAM, NETHERLANDS
IMAP ADVISED ON SALE OF COMPANY

Security systems manufacturer
NETHERLANDS
IMAP ADVISED ON SALE OF COMPANY
IMAP Netherlands – Underground Infrastructure Sector Team

AXEL FUHRI SNETHLAGE
IMAP Netherlands
afuhr@imap.nl

REMCO SCHOUTEN
IMAP Netherlands
rschouten@imap.nl

WILLEM OP DE HOEK
IMAP Netherlands
wopdehoek@imap.nl

DAAN ZANDBERGEN
IMAP Netherlands
dzandbergen@imap.nl

Contact
IMAP Netherlands

Javastraat 8
3016 CE Rotterdam, The Netherlands
+31 10 235 88 50

Gustav Mahlerplein 2
1082 MA Amsterdam, The Netherlands
+31 20 799 73 39

www imap.nl