Press Release

INDUS invests in digital infrastructure segment

Bergisch Gladbach, 17 October 2016 – HAUFF-TECHNIK GmbH & Co. KG, an INDUS portfolio company, has acquired a 50% interest in ZweiCom GmbH, Jagstzell, a specialist for the development and production of passive components for fiber optic infrastructure. Established in 2005, ZweiCom manufactures products which are characterised by very high packing density for fiber optics as well as easy installation. This allows customers to save space and time when establishing fiber optic network infrastructure. HAUFF-TECHNIK is one of Europe's leading manufacturers of cable and sleeve entries; as the German market leader in building entries, the company is involved in many projects for the expansion of fiber optic networks. The company became a member of the INDUS Group in 1986. Jürgen Abromeit, CEO of the INDUS Group, is convinced that the alliance between HAUFF and ZweiCom will help both companies make progress in the joint development of the "digital infrastructure" segment.

Huge pent-up demand for fiber optic expansion in Germany

In the past, fiber optic networks in Germany were usually not laid into consumers' homes but formed the backbone of the communication networks. The "last mile" is normally covered by existing telephone copper wire or coaxial cables. When changing from the fiber optic cable to the copper wire cable, the optical signal must be converted into an electrical signal in order to be transferred to consumers' homes. This is done in optical distribution frames on the side of the road, which are also used to connect the large fiber optic bundles to the final customer.

The federal government has meanwhile launched subsidy programmes, which are being used by regional providers, local authorities and investors in Germany to install high-speed fiber optic networks in their regions. They represent the biggest market potential besides Deutsche Telekom, as they account for over 70% of all new fiber optic connections. "Digital infrastructure is clearly a topic of the future and an important growth sector. In Germany alone, we expect between ten and 15 million households per year to be connected to high-speed fiber optics in the next five to ten years. This is not a new field for us, as we know this market very well. WEIGAND Bau, one of our portfolio companies, has successfully operated in this sector for many years," says Jürgen Abromeit.

INDUS investment WEIGAND Bau already a successful player in the fiber optic segment

WEIGAND Bau from Bad Königshofen (an INDUS member since 2002) installs underground fiber optic cables. The company has recently won the contract for the expansion of the network in the five districts of northern Hesse (Hersfeld-Rotenburg, Werra-Meißner district,

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Schwalm-Eder district, Waldeck-Frankenberg and Kassel district). In its capacity as general contractor, WEIGAND will plan the execution and the network and carry out the construction work for the passive network. After the scheduled completion date of the EUR 150+ million project (end of 2019), over 100 municipalities with some 570 villages will be able to use high-speed Internet. The five districts formed “Breitband Nordhessen GmbH” already back in 2014 in order to expand high-speed Internet in their region autonomously.

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