

Press release - September 2021

FOLAN gains a foothold in the United Kingdom with the acquisition of Mainframe Communications Limited

Lyon, September 7, 2021 – FOLAN, designer and manufacturer of passive equipment for telecommunications networks (optical fiber, 5G, data centers and smart cities) announces the acquisition of its British counterpart, Mainframe Communications Ltd, thus continuing its development and gaining a foothold in the rapidly expanding British fiber market.

Four months after strengthening its equity with Yotta Capital Partners and Bpifrance, FOLAN's parent company puts its plan for international growth into action, with the United Kingdom as its priority.

Swift entry into the UK market

Today's signing of the acquisition of manufacturer Mainframe Communications Ltd, based in Southend-on-Sea to the east of London, sees the company enter the British market through a well-known player already firmly established in the sector.

Created in 1988 and owned until now by its founders, brothers Ian and Bill Carter, the company is known for its expertise in the design, assembly and distribution of passive optical equipment, solutions and connectivity for FTTx, industry, data centers and optical LAN. With certification from the main national operators, its solutions are acclaimed for their quality and design, which go beyond even the most exacting standards.

FOLAN and Mainframe Communications Ltd have much in common, their synergies extending from expanding the range of products and solutions they offer their respective clients to the financial and business capacity to create a more capillary network in the United Kingdom market.

Their collaboration will thus provide a greater capacity to meet the needs of British clients as well as the means to support them in the swift and innovative deployment of FTTx and Data networks throughout the UK.

Making the most of the new wave of British optical fiber

The British market is in the early stages of a development similar to the High Speed Broadband France initiative which is due to be completed within the next few years.

As with the French market, it involves the FTTH deployment of approximately 32 million fiber lines, in addition to FTTA (5G), also the same as the French market, and a Data Center market which is twice as dynamic. For the fiber deployment alone, the estimated expenditure is £10.8 billion up to 2025, with the expected involvement of approximately 90 alternative operators.

By becoming the British subsidiary of FOLAN, Mainframe Communications is set to accelerate its development and rapidly strengthen its teams (around thirty employees, all of whom will be kept on).

The group achieved an income of €30 M in 2020 and will exceed €36.1 M in the current year. This figure is expected to triple over the next four years and the number of employees, 270 at present, should double. The acquisition of Mainframe Communications will lead to an acceleration of the Group's international operations, their contribution eventually increasing to 40% of its income, compared with 15% at present.

"By gaining a foothold in the United Kingdom through Mainframe Communications, which is well-known and fully embedded in the country, we are continuing our project to expand both the Group and FOLAN, strengthening the capacity of this national player and enabling it to seize the opportunities provided by the simmering fiber market in the UK," comments Ludovic Robert, President and CEO of the parent company.



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About FOLAN:

FOLAN is the main subsidiary of Groupe R&D and is the French specialist in passive component solutions for optical fiber networks, fixed and mobile telecommunications, data centers and smart cities. Its design office devises high value-added products which are manufactured by 3 production units: France (custom solutions and small production series: connectorization of patchcords, preconnectorized cables, assembly of optical patch panels, boxes and distribution cabinets), Romania (mid-size series and sheet metal), and China (large series including connectors and plastic processing). FOLAN is a partner of the main operators and players involved in developing French network and telecommunications infrastructures and is also a member of the fiber expert committee of ARCEP, France's Electronic Communications, Postal and Print media distribution Regulatory Authority. Its international operations (which account for 15% of its turnover) are constantly developing, particularly in Europe, the Middle East and Africa. The company has ISO 9001, ISO 14001 and OHSAS 18001 certification and has also been a member of the Global Compact association since 2013. It has been awarded the Ecovadis CSR gold medal since 2017.

Groupe R&D: 2021 Turnover €40 M – 270 employees – President and CEO: Ludovic Robert – FOLAN General Manager: Olivier Prestel. www.folan.net - Rillieux-la-Pape (69).