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KSBR and Takanen MR announcing a share exchange merger

On the 20th of May 2021, Keski-Suomen Betonirakenne Ltd. (KSBR) signed a letter of intent, with the purpose to acquire the entire share capital of the ground works company Takanen MR Ltd. (TMR). The planned Merger transaction requires the completion of the parties' ongoing due diligence and the necessary share exchange resolutions from the shareholders meetings.

The arrangement will create Keski-Suomen Betonirakenne Group, whose subsidiary TMR will both continue its current business in the field of civil construction and expand into new business areas under the name KSBR Infra.

The acquisition is to be implemented by the end of September 2021 through a share exchange, so that a directed share issue of KSBR shares will be arranged for the shareholders of TMR.

The acquisition combines two growth companies with a strong balance sheet, which together form an increasingly stronger and well established entity. The net sales of the formed group is forecasted to exceed EUR 100 million in 2021.

Growth and new strategic projects

In the future, the KSBR Group will be able to respond more competitively and comprehensively to market challenges and the needs of its customers, even in demanding projects. Synergies improve opportunities for growth and new strategic projects.

“Years ago, Juha Takanen and I envisioned that a day to merge our businesses is yet to come. So, it is no coincidence that our ERP systems are already compatible. We have progressed and developed side by side in the last eight years”, says **Tuomas Skantz**, CEO of KSBR.

According to Skantz and CEO **Juha Takanen**, the companies are totally familiar to each other. The joint operations are already honed to the top on the shared construction sites, the employees know each other, and the funding of both companies is in excellent condition.

“Takanen's expertise in 3D modeling and modern machinery, as well as committed and competent staff, are real competitive advantages in the tightening market. It was easy to answer “yes” to Juha when he asked if now would be the right time”, Skantz says.

“The feeling is mutual that something really great is being created here. The arrangement brings significant added value to our customers. When we started our career as entrepreneurs or in the midst of adversity, we could not have imagined that we would grow to the size of EUR 100 million. Every single meter we have progressed with hard work – and each of our employees has done a great job”, Skantz and Takanen say.

Advantages for customers

According to CEO Juha Takanen, getting to this point has involved many moments of success and trials.

“By working with KSBR on shared construction sites, we have learned each other's ways of working and are able to trust that the promises made will be kept. Takanen MR has purposefully invested in low-emission and cost-effective equipment so that we can adhere to the strict requirements and schedules of our shared construction sites”, Takanen states.

He emphasizes that the skilled and motivated professionals at KSBR and Takanen MR will now have the opportunity for more seamless collaboration.

“I am convinced that our way of operating is also visible as added value for our customers”, Takanen says.

Additional information:

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Company information

Takanen MR Oy has been operating in the civil engineering industry since 1981. The company's main business areas are groundworks services and sales of soil materials. Takanen MR is a profitably growing leading company in its field, investing heavily in modern machinery and tools and skilled personnel. The company currently employs about 60 people, and its turnover in 2020 was about 19.4 million euros.

Keski-Suomen Betonirakenne Oy (KSBR) operates in the construction of wind power, industrial, commercial and car park buildings, as well as in the special construction of other demanding on-site castings. A significant part of the company's turnover comes from the construction of electrical networks and substations for wind farms. The company is Finland's leading EPC supplier of wind power infrastructure, with a market share of approximately 50% in the construction of Finnish wind power infrastructure in 2020.

KSBR has been operating since 2004. In recent years, the company has delivered strong and profitable growth without external financing. According to the approved financial statements for the financial year 2020, its turnover was 67.25 million and operating profit was approximately EUR 7 million. The company forecasts strong growth in net sales and good profitability. KSBR employs almost 90 professionals throughout Finland. KSBR's associated companies are Infratiera Oy, which builds electrical distribution and transmission networks, and the concrete supplier Betoniteam Oy. The entire production chain of the future KSBR Group is either in its own hands or in the hands of associated companies, which significantly reduces cyclical risks and enhances production and quality management at construction sites.

The Group's goal is to maintain its leading position in the construction of renewable energy, grow significantly as a builder of industrial and municipal infrastructure, and strengthen its position in the field of parking and special construction. In addition, KSBR has ongoing projects aimed at new business and internationalization.

Tuomas Skantz, Pasi Juntunen, Simo Särkelä, Juha Takanen and Johanna Takanen will remain the main shareholders of the new group.