

# Building a European UC leader

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*Integrator and Unified Communications (UC) specialist Damovo has made the first move in its European buy-and-build strategy, acquiring its way into Luxembourg. The company has bought the voice and UC operations of Centre de Télécommunications et Téléinformatiques Luxembourgeois (CTTL), part of Luxembourg-based Wagner Group. The deal expands on Damovo's existing Benelux operation, which is run from an office near Brussels, explains Glen Williams, Damovo CEO. The CTTL deal now means Damovo operates from 15 offices across the globe, serving more than 2,000 customers across a total of 120 countries, spanning six continents.*

At the start of this year, Damovo's European operations were acquired in a deal involving investment house Oakley Capital, alongside Matthew Riley, founder of UK buy-and-build telecoms player Daisy. Mr. Riley has assumed the role of Executive Chairman, and will be using his M&A expertise to support the company's acquisition quest across Europe.

Mr. Williams was also previously employed by Daisy Group. He says that under new ownership, Damovo is now a debt-free business poised for growth. The plan is to grow both organically and through acquisitions, primarily in the DACH and Benelux regions. The

company posted FY14 sales of €81m, and the ambition is to grow the top line to €100 million annualised revenue this year. "We see a significant growth opportunity in the continental European market for Unified Communications. There has been consolidation in the UK, but the continent is still largely dominated by owner-managed, relatively small organisations. As a consequence it's also proving quite difficult to find acquisition targets of a meaningful size."

The recently acquired CTTL unit, which is to be rebranded Damovo Luxembourg, is Mitel's biggest Luxembourgian partner. This according to Williams

means that the buyout will bring valuable cross-selling opportunities across Damovo's partnerships, which in addition to Mitel also include Cisco, notably. "CTTL couldn't sell for example Cisco products and now Damovo Luxembourg can. We didn't have a presence in Luxembourg and CTTL gives us much more scale in the Benelux region overall," he adds.

Damovo's core areas of expertise are Unified Communications and Collaboration (in other words, IP-enabled phone systems), enterprise networking, contact centres, cloud services and global managed services. Managed services represents their biggest business, Williams explains. He identifies several factors driving growth in these verticals. "The end of ISDN and voicemail is near, so organisations are migrating to either on-premise or cloud-based IP-enabled systems, and to new generation instant messaging systems such as Microsoft Lync. Another opportunity for us, particularly in Germany, is the growing popularity of collaboration tools, allowing geographically dispersed teams to work together in real time." Damovo is not constrained by opportunity with the worldwide Unified Communications market which is expected to be worth in excess of \$75Bn by 2020.



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