

Zelmer S.A.

Creating the no.2 electrical appliances group in Central and Eastern Europe

Country Poland
Region Podkarpackie
Investor Enterprise Investors
For more info
www.zelmer.com
www.ei.com.pl

“EI worked closely with us to understand the strategic development needs vs. restructuring. They invested in sales and marketing, enabling us to finance a new production plant. Their involvement significantly increased our market share and enterprise value.”

Tomasz Modzelewski
 CEO, Zelmer

Zelmer is Poland's oldest and largest maker of small electrical appliances, such as vacuum cleaners and food processors. Enterprise Investors bought a minority stake in the business in 2005 and immediately began the process of transforming Zelmer from a state-owned manufacturer into a world class company.

During its investment, Enterprise Investors brought in new management, introduced new products in the mid and low-price ranges and helped the company enter new markets: Russia and Ukraine. After increasing sales, a drive to improve profitability included focusing on the region's largest markets and on products with the highest growth potential, plus the construction of a state-of-the-art manufacturing plant in Rzeszów. Enterprise Investors sold its stake to Bosch und Siemens Hausgeräte in 2012.

WHAT DID THE BUSINESS NEED?

Support to transform a state-owned manufacturer into a modern, world-class electricals business
 New management team
 Invest in new products and enter new Central and Eastern European markets

HOW DID PRIVATE EQUITY BACKING CREATE LASTING VALUE?

Installed experienced and motivated management team
 Helped to define a new strategy as a newly-private business
 Positioned Zelmer in the mid and low-price segments
 Entered three new large market segments: toasters, irons, pots & pans
 Built a new state-of-art plant production plant
 Concentrated on the strategic markets of Poland, Russia and Ukraine

WHAT OUTCOMES DID PRIVATE EQUITY INVESTMENT ACHIEVE?

Revenues increased from PLN 299 million (in 2005) to PLN 737 million (in 2012)
 Established Zelmer as no.2 brand in Ukraine in just three years
 Became the second-largest small electrical goods in CEE region
 Positioned Zelmer to become part of leading household appliance group Bosch und Siemens Hausgeräte in 2012

Case study image

>2x
 Increase in sales revenues

2
 new markets entered: Russia and Ukraine

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