

PRIVATE EQUITY IN ACTION - CASE STUDY

Capol GmbH



Country	Germany
Region	Schleswig-Holstein
Investor	The Riverside Company

When The Riverside Company invested in Capol in 2009, the German confectionery, agricultural and pharmaceuticals coatings business, which made glazings for products such as jelly beans, was run by a founder who was approaching retirement and unable to provide the time and resources to expand the company. Capol had significant knowhow and operated in a market with high barriers to entry, but had significant room to grow.

With Riverside's support, over the next four years, Capol's growth rate almost tripled and the company developed a significant international presence, including in the large U.S. and Chinese markets. With Capol perfectly positioned for further expansion, Riverside sold the business in 2013 to Freudenberg Chemical Specialities.

What did the business need?

- Professionalisation of management structure and business culture
- Support to increase in international sales
- Help to expand into new markets

How did private equity backing create lasting value?

- Acquired a U.S. distributor to improve customer relationships and leverage sales
- Provided access to Riverside's Asian team and network to increase sales in China
- Built a new dynamic management team while retaining the

12%
annual sales growth

50%
increase in employment 2009-2013



Capol has come a long way under Riverside's ownership. We are a truly global company that's able to offer our outstanding products to customers anywhere. We've enjoyed working with the Riverside team, and it's helped us make Capol a bigger and better

founder's intellectual input in the new role of chairman

- Invested in new product development
- Improved quality control procedures

What outcomes did private equity investment achieve?

- Increased compound annual sales growth rate from 3.3% to 12.1%
- Increased revenues from €16.7 million in 2009 to €26.4 million in 2013
- Grew EBITDA* from €5.3 million to €8 million
- Expanded sales in China from €500,000 in 2008 to €1.8 million in 2013
- Captured total market share in excess of 50%
- Increased employment by 50%

More information

[Capol GmbH](#)

[The Riverside Company](#)

company.

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