

PRIVATE EQUITY IN ACTION - CASE STUDY

Ceske Radiokomunikace



Country	Czech Republic
Region	Praha
Investor	Mid Europa Partners

A combination of in-depth regional knowledge, expertise in the communications industry, and a hands-on approach to company management underpinned Mid Europa's investment in Czech television and radio broadcaster České Radiokomunikace (CRa) in 2006. Private equity helped recruit a high calibre management team and streamlined and reorganised the business that now reaches over 99% of Czech households.

In doing so, Mid Europa and CRa have set the standard for similar broadcasters across the region for operational efficiency and financial performance. During the firm's ownership, CRa invested in digitising the terrestrial television networks, disposed of non-core retail operations and focused on the central broadcast business. The company was sold to specialist infrastructure investor Macquarie in 2010.

What did the business need?

- Investment in digital television infrastructure
- Expansion of senior management team and board
- Streamlining and reorganisation of business structure

How did private equity backing create lasting value?

- Invested heavily behind digital television network rollout
- Recruited leading management team (CEO, finance director, commercial, legal and HR directors)
- Reduced company debts
- Sold non-core telecoms retail operations

99.6%
of population reached

2x
increase in profit margins
2006-2010



Mid Europa has been a reliable and responsible owner of this critical infrastructure and a supportive partner for management.

JANE HANNAH
CEO
Ceske Radiokomunikace

- Acquired 37% stake in the business held by Lehman Brothers after the US bank's collapse in 2008
- Began trials of high definition television and digital radio services

What outcomes did private equity investment achieve?

- Largely completed transition from analogue to digital broadcasting, reaching 99.6% population coverage at exit, from zero in 2006
- Increased profit margins from 34% to 61% during investment
- Established Czech Republic as leader for digitisation in Central and Eastern Europe

More information

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