



PRIVATE EQUITY IN ACTION - CASE STUDY

Chr. Hansen



Country	Denmark
Region	Hovedstaden
Investor	PAI Partners

During its six-year ownership, PAI Partners transformed Chr. Hansen from a broad-based supplier of food ingredients into a focused bioscience company with a reputation for innovation. After investing in 2005, PAI strengthened the management team and supported a focused R&D programme to develop high-value and premium products.

PAI also streamlined existing operations and established new production sites worldwide, including China, Peru and Brazil to aid Chr. Hansen's expansion into emerging markets. The company was listed on the Copenhagen stock exchange in 2010 and has performed strongly in the face of tough global economic conditions. PAI sold the last of its shares in 2012, after helping to create a high-quality business with a strong track record and a global reach.

What did the business need?

- Full restructuring of international operations
- Strategic focus on high-growth health and nutrition segments
- Entry into fast-expanding emerging markets
- Investment in new production sites to boost global capacity

How did private equity backing create lasting value?

- Streamlined sprawling global network
- Supported a change in focus from general food ingredients to bioscience
- Built new production facilities to capture emerging market opportunities (Brazil, China, Peru)

36%
increase in turnover in six years

25%
increase in R&D spend to €40m annually



I have become a firm believer in private equity. [...] What I saw was a structure focused around active ownership where the boards, the owners and the management were basically aligned.

LARS FREDERIKSEN
former CEO
Chr. Hansen

- Invested in R&D to create new high-value products
- Improved the international sales network
- Bought and integrated complementary businesses to optimise distribution networks

What outcomes did private equity investment achieve?

- Increased turnover by 36% to €636m
- Dramatically improved profitability by 117% to €202m EBITDA*
- Increased R&D spend by 25%, from €32m to €40m with more than 250 people involved.
- Repositioned the company to address Natural Colours, Cultures & Enzymes and Health & Nutrition



More information

[Chr. Hansen](#)

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