

PRIVATE EQUITY IN ACTION - CASE STUDY

# Grycksbo Paper



<b>Country</b>	Sweden
<b>Region</b>	Mellersta Norrland
<b>Investor</b>	Accent

Accent, together with company management, acquired the fine paper maker Grycksbo from Finnish paper and pulp group Stora Enso in 2006. At that time Grycksbo was producing around 250,000 tonnes of paper, of which 90% was exported. Accent believed there was an exciting opportunity to grow by becoming more customer and market orientated, and encouraging a more commercial mindset. These efforts, combined with the establishment of a new sales force, allowed Grycksbo to rebalance its global sales. Over 20% of the company's sales were brought back to Europe from Asia, which reduced costs and consequently increased Grycksbo's profitability. Grycksbo was sold to the Polish-Swedish group Arctic Paper in late 2009.

**>25%**  
cost reduction in transportation

**4x**  
increase in EBITDA



## What did the business need?

- Transformation from being one of many corporate production and supply centres within a large group
- Establish confidence and focus as a European leader in its niche
- Improved customer/market and business orientation
- Apply target setting and improve commercial thinking in purchasing

This will mean more investments, and in the long-run more jobs remaining in the region.

## How did private equity backing create lasting value?

- Recruited new CEO and Sales Director
- Established a new sales organisation, relocating more than 20% of sales from Asia to Europe resulting in increased profitability
- Executed an extensive profit improvement programme
- Invested in pulp sourcing flexibility

**LENNART WESTMAN**  
CEO  
Grycksbo Paper



- Implemented a long-term cost-effective and environmentally friendly energy solution
- Improved control and planning thanks to a changed logistics setup and a new IT system

## What outcomes did private equity investment achieve?

- Increased sales to over €210m (SEK1.9bn) from nearly €187m (SEK1.7bn) from 2006 to 2009
- Increased EBITDA more than fourfold\*
- Saved virtually all jobs at the Grycksbo mill that risked being lost
- Reduced transportation costs by 25%
- \*EBITDA stands for earnings before interest, tax, depreciation and amortisation and is a measure of company performance

## More information

[Grycksbo Paper](#)

[Accent](#)

