



PRIVATE EQUITY IN ACTION - CASE STUDY

MK Chimney



When Riverside invested in MK, a Polish manufacturer and distributor of high-quality flue gas extraction systems, in 2006, the company concentrated on supplying its domestic market and other Eastern European countries. Riverside refocused the business on the higher value German and Scandinavian markets and provided substantial financial support to help the firm weather both the global financial crisis and an increase in its raw material costs.

The company now sells across Europe and has more than doubled its employee numbers since 2006. With Europe-wide coverage firmly established, MK was sold in 2012 to another specialist in the field, French group Isotip-Joncoux.

What did the business need?

- Professionalisation of a family business set-up
- Expansion into more lucrative Western European markets
- Capital for growth and restructuring

How did private equity backing create lasting value?

- Developed new products that were more efficient and not subject to price volatility
- Bought German distributor in 2010, bringing the company into Western Europe
- Lowered the scrap ratio during production from 21% to 11%
- Improved production efficiency by 150% from 2006 to 2012
- Overhauled production process and installed new IT production management systems

Country	Poland
Region	Lubuskie
Investor	The Riverside Company

>2x

increase in employee number to 168

200%

increase in production



Riverside was a great partner in our growth. Within a short period of time, we implemented a new market strategy, completely modified production processes and changed the IT system completed an acquisition in Germany and improved the product

- Installed new professional management team
- Provided additional funding to help the business through the financial crisis

What outcomes did private equity investment achieve?

- Increased employees from 74 to 168
- Won new strategic accounts in Germany and Poland
- Expanded across Europe into Germany and Scandinavia
- Diversified customer base, with share of revenue from 5 biggest customers reduced from 50% to 15%
- Increased unit production by 200% between 2006 - 2012

More information

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portfolio. The company is now not only very profitable but also diversified in terms of customers, products and suppliers.

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CEO

MK Chimney

