



PRIVATE EQUITY IN ACTION - CASE STUDY

# Novaservis



<b>Country</b>	Czech Republic
<b>Region</b>	Jihovychod
<b>Investor</b>	KBC Private Equity

Novaservis, based in Czech Republic, is a leading producer and distributor of bathroom equipment. KBC Private Equity acquired the company in 2006 with a strategy to renew and expand the product portfolio and to grow and enter in selected markets in Central and Eastern Europe. During the investment horizon, Novaservis consolidated its position in Czech Republic, became market leader in Slovakia and entered Romania, setting up a sales office in 2009. The company also entered into a joint venture in China.

Having successfully survived the market downturn, in 2011, Novaservis was sold to Ferro, a Polish company quoted on the Warsaw Stock Exchange, with an expanded position as a leading platform in the sanitary equipment business in CEE.

## What did the business need?

- Professionalising of management and financial reporting
- Optimisation of logistics and reduction of production cost
- Expansion of product portfolio and geographical coverage

## How did private equity backing create lasting value?

- Proper monthly management reporting set up, including a set of relevant KPI's
- Hiring of a new CEO
- State-of-the-art warehousing system in Czech Republic
- Introduction of product lines, such as garden programme and shower programme
- Aggressive acquisition of market share in Slovakia and set-up of

€34m

capital gain in KBC Private Equity

33%

growth in revenues during investment



In the course of our fiveyear cooperation, KBC acted as an experienced financial investor who supported Novaservis' conversion from a local into an international enterprise.

**PETER SCHREIER**  
CEO  
Novaservis

sales organisation in Romania

- Successful entry in other CEE and CIS countries through a dedicated export manager
- Set-up of joint-venture in China to reduce production costs

## What outcomes did private equity investment achieve?

- Sale of Novaservis to trade buyer Ferro in April 2011 for €48m
- 3.2x return for KBC Private Equity, and an IRR of 28.9%
- Consolidated market leadership in Czech Republic and number one player in Slovakia
- Robustness of the company proven during the crisis in the construction industry

## More information

[Novaservis](#)

