



PRIVATE EQUITY IN ACTION - CASE STUDY

Phadia

Phadia

Country	Sweden
Region	Ostra Mellansverige
Investor	Cinven

Phadia, based in Sweden, is a leading in-vitro allergy diagnostics and autoimmunity diagnostics business. Private equity firm Cinven acquired the company in 2007 with a strategy to assist Phadia in growing its core business to reach its full potential, both strategically and operationally. This involved product development; accelerating revenue growth via expansion and professionalisation of the sales force, particularly in the US; and supporting internationalisation into emerging markets such as India, China and Brazil.

Under Cinven's ownership, Phadia became a true global leader, distributing directly in 21 territories across the world and enjoying further reach through a broad international network of distributors. When Cinven sold the company in 2011, it employed 1,500 people worldwide.

What did the business need?

- Geographic expansion in high-potential and under-penetrated markets
- Investment in R&D and sales force
- Improvements in organisational effectiveness

How did private equity backing create lasting value?

- Best in class practices implemented across regions to drive efficiency and organisational effectiveness
- Expansion and optimisation of the sales force in high-potential regions
- Enhanced monitoring and targeting processes

€1bn

capital gain for investors in Cinven's fund

50%

increase in headcount



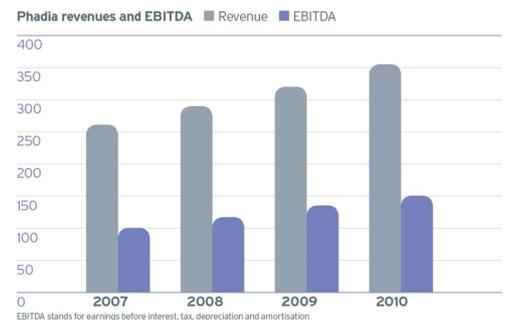
We have forged a very close partnership with Cinven who have brought real sector insight, clarity of thinking to our strategy, and hands-on support.

MAGNUS LUNDBERG,
CEO
Phadia

- Roll-out of Phadia's full product range into the US
- Accelerated expansion in emerging markets, particularly in China and India
- Acquisition of Phadia's Chinese distributor and setting up an Indian office

What outcomes did private equity investment achieve?

- Sale of Phadia to trade buyer Thermo Fisher Scientific in May 2011 for €2.47bn
- 3.4x return for investors in Cinven's fund
- Doubling the revenue growth rate, with EBITDA up from €96m to €146m during investment
- Headcount increase from 1,000 in 2007 to around 1,500 in 2011
- Phadia had more than 5,000 systems installed in more than 3,000 labs by 2011



More information

[Phadia](#)

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