

PRIVATE EQUITY IN ACTION - CASE STUDY

Post Danmark



Country	Denmark
Region	Sjælland
Investor	CVC Capital Partners

As Denmark's postal operator, Post Danmark offers a host of different services. CVC Capital Partners saw great potential in the company's favourable market position and took part in the company's privatisation process in July 2005, purchasing a 22% stake. CVC sold its stake back to the Danish state in 2009, to facilitate the merger with the Swedish postal operator, Posten AB and to create what is now known as PostNord.

At the time of sale, Post Danmark achieved revenues of €1.5bn and EBITDA of €240m. It had become one of Europe's most efficient and modern postal services, enjoying a leading position in all its main product areas.

What did the business need?

- To strengthen the company's position in an increasingly competitive market
- To develop existing activities and expand into related business areas
- To adapt to new regulatory requirements and prepare for further market liberalisation

How did private equity backing create lasting value?

- Modernising systems and technology: upgrade to new generation mail sorting methodology
- Optimising distribution processes: 25% reduction in number of daily mail delivery routes
- Pricing strategy repositioning: introduction of a differentiated

21,000
employees

€1.5bn
revenue



We found an exceptionally well-run operation at Post Danmark and also a strong case to further enhance its development.

SØREN VESTERGAARD-POULSEN

Managing Director
CVC

price structure

What outcomes did private equity investment achieve?

- Product development: introduction of new services such as internal postal management solutions for businesses, new guaranteed delivery services, electronic communications solutions
- Positioning as the leading Nordic postal operator and a reference point for Europe

More information

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