



PRIVATE EQUITY IN ACTION - CASE STUDY

Skamol



Polaris Private Equity's investment in Skamol, a specialist insulation products manufacturing business, shows how private equity firms are able to support portfolio companies in good times and bad. Polaris acquired Skamol at the height of the economic boom, and almost immediately started work on a new business plan.

Thanks to Polaris' hands-on approach, Skamol thrived. The firm got deeply involved at an early stage, developing a restructuring plan and putting in place a new management team with the skills to cope during the crisis. In addition, over the next few years more than DKK150 million was spent on new manufacturing facilities and the acquisition of a business in Russia, plus improvements to manufacturing, sales and back office functions. Polaris sold Skamol in 2012.

What did the business need?

- Support during downturn
- International growth including emerging markets
- Operational improvement
- Management support

How did private equity backing create lasting value?

- Developed a restructuring plan
- Put in place a new, experienced management
- Invested more than DKK150 million on new manufacturing facilities and the acquisition of a complementary business in Russia

Country	Denmark
Region	Nordjylland
Investor	Polaris Private Equity

25%

EBITDA margin, up from 8% at investment

4.5%

CAGR in revenues despite recession



Together with a very capable management, we have developed Skamol to be a visible and esteemed international player in the industry.

VIGGO NEDERGAARD JENSEN

Senior Adviser
Polaris Private Equity

- Improvements to manufacturing, sales and back office functions
- Benefit of Polaris' quarterly expertise-sharing workshops focusing on key management areas such as LEAN, M&A, HR and profitable growth

What outcomes did private equity investment achieve?

- EBITDA margin improvement from 8% to 25%, with profits rising from DKK23m to DKK78m
- Net debt more than halved between 2009 and 2012
- Globally diverse business - largest country accounts for just 12% of sales
- Developed business plan ahead of realisation for next phase of Skamol's growth

More information

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