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PRIVATE EQUITY AND VENTURE CAPITAL SUCCESS STORY

Kermel

KERMEL
NOTRE MONDE EST PERFORMANCE

Country	France
Region	Alsace
Investor	Argos Wityu

When Argos Wityu bought the flame-proof fibres maker Kermel in 2002, it was a division of indebted chemicals group Rhodia. Private equity provided the finances and expertise for Kermel to set up independently and embark upon an ambitious programme of R&D.

As a result the use of Kermel's aramid fibres extended from flame-proof clothing to protect firefighters and workers in harzardous industries, such as petrochemicals, to making specialised filters for hot gases and electricity. Argos Wityu also brought in management with international experience to enable expansion into North America and Asia. In just five years, Kermel became the European leader in its field and almost doubled sales and quadrupled profits before it was sold in 2012.

What did the business need?

- Company infrastructure to become an stand-alone business
- Investment in R&D to develop its product portfolio
- Strengthened management team
- Help to expand into the US and Asia

How did private equity backing create lasting value?

- Professionalised company organisation
- Established company systems and built a platform for growth
- Established a global sales network, including in the US and Asia
- Invested in R&D to find new applications for aramid fibres

What outcomes did private equity investment

2x

increase in sales in five years

20%

of sales to US and Asia, up from zero in 2002

> With Argos Wityu we were able to create value within the company by implementing a strategy of innovation and growth in areas where our former parent company had previously held us back.

MARKUS SCHWYN
Chairman and CEO
Kermel

achieve?

- Volume of sales nearly doubled in five years up to 1,100 tons
- Profitability quadrupled during ownership up to a 25% operational margin
- Entered US and Asian markets, which made up 20% of sales by exit
- Developed new applications in specialised filters for hot gases and electricity
- Cemented Kermel's position as leading European producer of aramid fibres



More information

Kermel

Argos Wityu

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