



Litorina created LGT, alongside the company's management, in October 2005, acquiring furniture freight forwarding specialist LBC Sweden and its Danish sister company GM-ITM. During its investment, the company was transformed from a pure transport business to a third-party logistics provider, entering new segments such as inbound transportation, projects and home delivery, and quadrupling warehousing capabilities.

Litorina also improved governance, introducing a broad ownership programme for management; grew staffing levels; improved profitability; and added scope through the acquisition of Transportsektionen in 2008. In 2009, LGT moved on to the next stage of its international development with Axcel, eventually netting Litorina's investors around 11 times their investment. Following six years of further progress with another private equity owner, LGT returned to Litorina's portfolio in 2015.

What did the business need?

- Market leader requiring investment to increase sophistication of operations
- Support for incumbent management team
- Product development

How did private equity backing create lasting value?

- Merger of two businesses to create market leader
- Broadening of service offering – adding warehousing, order-picking and homedelivery services

Country	Denmark
Region	Midtjylland
Investor	Litorina

11x
return to institutional investors

38%
annual increase in profits



It has been a positive experience to develop LGT as a stand-alone logistics group in close co-operation with Litorina.

HANS HJELMSTRÖM
CEO
LGT Group

- Expanded product range, branching out into lamps and textile logistics
- Expanded scope further through the acquisition of Transportsektionen in 2008
- New board introduced, plus hiring of new COO in Sweden
- Introduction of a broad ownership program for management, aligning interests
- Refocused towards integrated logistics services, quadrupling warehouse space and new segments

What outcomes did private equity investment achieve?

- 11x return to investors including pensions funds, despite exiting in the depths of the economic downturn
- 38% annual growth in profits – threefold increase over course of investment
- Profit margins up from six per cent to ten per cent

More information

[LGT Logistics Denmark](#)

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