

## **Polaris sells Frösunda AB**

The Danish-Swedish private equity investor Polaris Private Equity divests Frösunda AB to the British investor HgCapital. Since 2007 with Polaris as owner, Frösunda has built a position as market leader within assistance, housing and activities for persons with various kinds of physical or mental impairment. Today, the company has some 5 000 employees and is established in 29 Swedish cities.

### **Quality and growth**

Since Polaris acquired Frösunda in 2007, the company has more than doubled its turnover from MSEK 820 to an expected MSEK 1,800 in 2010. Under this period, the company has achieved an annual organic growth rate of 11 %. This was possible due to a systematic improvement of the products as well as the internal routines. During the process, Frösunda was certified according to the ISO standard.

### **A well-defined strategy**

The positive development of Frösunda is the result of a well-defined and thoroughly implemented growth strategy. *Jan Dahlqvist*, partner at Polaris, summarizes:

- Strategic acquisitions, addition of competence to the board of directors and a systematic approach to improvement of our products and our routines are the major drivers behind the good result obtained by Frösunda since 2007. The management and the employees have been highly committed and constitute a major success factor.

The CEO of Frösunda, *Göran Fredriksson*, sets focus on the value of Polaris participation in the development process:

- The strategic objectives were communicated with great clarity. Their experience from acquisitions proved valuable – as did their network, their toolbox and their access to specialized knowledge within multiple areas.

### **Optimal timing**

The positive development of Frösunda has long drawn the attention of European investors. From a position as market leader in Sweden, the options for further expansion seem positive indeed. The timing of exit on the behalf of Frösunda reflects the business model of Polaris. *Jan Johan Kühl* is a managing partner at Polaris:

- When we acquired Frösunda in 2007, the company already enjoyed a strong market position and an obvious potential for growth. The company we now leave into the hands of an experienced international investor is a market leader with excellent profitability. HgCapital has the resources and the experience to continue this success story.

### **Future growth plans**

Commenting on the acquisition, Carl Haring, Director of HgCapital stated:

- The HgCapital healthcare team has followed the Scandinavian market for several years based on the favourable macro demographics, high quality companies, and the strong trend towards outsourcing. Our sector experience and knowledge of Nordic investing meant we were able to proactively identify the key sub sectors we wish to deploy capital in, namely specialist care.

Frösunda provides the broadest and highest quality specialist care offering in the Swedish market and has an excellent management team. This investment represents an attractive opportunity to build on the company's impressive track record in its current markets and to enable it to expand its care offering into adjacent segments.

### **The parties**

**Frösunda AB** is Sweden's leading carer within personal assistance, assisted living and daily activities for functionally impaired. The company has approximately 5,000 employees in 29 Swedish cities.

[www.frosunda.se](http://www.frosunda.se)

**Polaris Private Equity** is a Danish private equity fund focused on buy-out transactions of well-established companies in Denmark and Sweden. The company has been granted a number of awards – amongst others the SVCA Awards 2010: Fundraising of the year and DVCA Private Equity House of the Year 2010.

[www.polarisequity.dk](http://www.polarisequity.dk)

**HgCapital** is a sector focused private equity investor in the European mid-market. We focus on investments with an enterprise value in the range of £50-£500 million. Our business model combines sector specialization with dedicated, pro-active support to our portfolio companies as well as the corresponding management expertise across all phases of the investment process. HgCapital manages approximately £3 billion for some of the world's leading institutional and private investors.

[www.hgcapital.com](http://www.hgcapital.com)

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