

## Background

### Business description (at the time of investment)

- Textilia offered smart, eco-friendly and cost-effective textile service solutions for quality-conscious customers in the healthcare, hotel and industry sector in the Nordic region
- The company was formed in 2005 as a consolidation of several county council laundries bought and merged together into one company
- Textilia owned five laundries, and was one out of two national players in Sweden with the capacity to grasp the largest contracts, i.e. county council contracts

### Entry

- Textilia was acquired from the private equity fund Litorina in 2014 together with Management in December 2014

### What did the business need?

- Operational improvements in order to increase margins despite price pressure
- Capital for investments in textiles and productivity; the business model is capex heavy during growth due to large initial investments in textiles for new contracts
- Diversification of the customer base – the largest customer represented more than 30% of revenues
- Build up of commercial capabilities to capture private sector business

## Value added

A number of key initiatives driven by Accent enhanced Textilia's strategic position:

- Increased productivity due to systematic work, better KPIs and controlling
- Managed to increase price per unit by focusing on innovations (e.g. within textiles tracking), quality, delivery and sustainability, and changed product mix towards more clothing
- Geographical expansion by acquisitions of two laundries
- Won the contract for the hospital New Karolinska Solna, proving Textilia to be the market leader within textile solutions to the healthcare segment
- Strengthened key customer relationships which increased sales to existing and new customers as well as decreased dependency on the largest customer SLL

**Won New Karolinska Solna and extended the contract with SLL, while increasing the EBITA margin**

## Exit

- Textilia demonstrated earnings growth ahead of the initial plan established at entry, and managed to extend the contract with the largest customer, SLL – opening up a window of opportunity for an exit
- Accent received inbound interest from several potential buyers some months before the exit preparations began, among the suitors De Forenede Dampvaskerier (“DFD”), a family-owned leading Danish service company within textile laundry and rental
- There was a clear strategic and cultural fit between Textilia and DFD, with ample room for best practice sharing in both commercial and operational areas
- DFD was offered a fast track process, and bought the company during Q1 2017

## Testimony

*“I have appreciated Accent Equity’s support and contribution to our successful journey in recent years.”*

Fredrik Lagerquist, CEO of Textilia

*“Accent supported and accelerated Management’s operational plan, and also contributed with execution of the add-ons strategy - thus contributing well to the continuity and the overall development of Textilia during their ownership period.”*

Sören Mellstig, Chairman of Textilia 2014-2017

## Financial development

