

Cross Equity backs MBO of spirella

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Swiss mid-cap specialist Cross Equity Partners has acquired bathroom equipment supplier spirella in an MBO from German household products manufacturer Leifheit AG.

The deal brings spirella back into Swiss hands for the first time in more than 20 years. A confidentiality clause with the vendor precludes the release of exact funding details, though it is believed that the total price paid was in the CHF 50-75m range.

Cross Equity, which typically backs strong, entrepreneurial SME businesses over a slightly longer timeframe than traditional private equity investors, was the only financial bidder approached by the vendor. A source close to the deal attributes the successful bid, which saw off competition from industrial rivals, to a strong fit and alignment of interests with the company's management team.

The transaction was completed in a relatively short timeframe, with the initial approach being made during March and completion following around three months later.

Cross Equity has already begun the process of building value in the business by installing an experienced advisory board. The backer is looking to help spirella in two core areas: firstly by building the company's business organically in both home and export markets; and secondly, via the launch of new product ranges. Growth via acquisition is also a possibility.

Debt

Senior debt totalling approximately 65% of the transaction value was structured by an as yet unnamed Swiss bank.

Company

Embrach-based spirella is a European supplier of bathroom equipment. Its core product ranges currently include bathroom textiles, curtain rails and other accessories. The business employs more than 180 staff and generates revenues of CHF 70m.

People

Dr Michael Petersen and Markus Reich worked on the deal for Cross Equity.

Advisers

Equity – Wenger & Vieli, Dr Wolfgang Zürcher (*Legal*); **The Corporate Finance Group**, Beat Unternährer (*Corporate finance*); **PricewaterhouseCoopers** (*Financial due diligence*); **Ernst & Young** (*Tax*); **Ecosens** (*Environmental due diligence*); **LEK** (*Commercial due diligence*).

■ Deals: Buyouts ■ Sector: Consumer

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■ Source: DACH unquote ■ Author: Julian Longhurst