

SOLHAGAGRUPPEN

Investment: **2007**

Status: **Exited**

Sector: **Private care**

www.solhagagruppen.se

[solhagagruppen.pdf](#)

THE CREATION OF A LEADING PRIVATE CARE COMPANY SERVING INDIVIDUALS WITH AUTISM-SPECTRUM CONDITIONS

Valedo invested in Solhagagruppen in 2007 and initiated an accelerated development phase to create the leading care company in Sweden for individuals with autism spectrum conditions. Under the three year holding period, a clear growth and development plan was initiated which included both new services, geographic expansion, as well as five add-on acquisitions.

BACKGROUND

Solhagagruppen's history dates back to the 1950's when Solhaga by was founded in the Gothenburg area by the Ekman family. The operations of Solhaga by were focused at providing accommodation and daily activity services for adults and elderly, with autism-spectrum conditions, that are entitled to receiving care according to LSS1. In 2006, Solhaga by had a turnover of SEK ~100 million. During the spring of 2007, Valedo conducted an extensive review of the general care market and the LSS-segment was identified as an interesting segment with considerable development and consolidation potential since it was highly fragmented with a large number of regional and/or niche companies. In a detailed review of the LSS market, Solhaga by was distinguished as a well-managed company with a leading regional market position and a very strong reputation for high quality of care – an excellent platform for a supporting owner, with a long-term focus and willingness to invest in the company, to build a clear market leader. Solhagagruppen, in its current form, was established in the summer of 2007 when Valedo invested alongside the Ekman family in Solhaga by, to become majority owner, and initiated an accelerated development phase.

ACHIEVEMENTS

Under Valedo's ownership, Solhagagruppen has developed into Sweden's leading focused care company with LSS operations for children, youth, adults and elderly with intellectual functional impairments, primarily autism-spectrum conditions.

Since 2007, Solhagagruppen has expanded from a turnover of SEK ~100 million, presence only in Västra Götaland and catering only adult users, into a one-stop-shop for the patient focus group with a turnover of SEK ~300 million and a complete LSS-service offering for children, youth, adults and elderly in large parts of Sweden. Solhagagruppen's service offering has been broadened to include specialty pre-school, special school, short-term accommodation, group & service accommodation, daily activities, diagnosis evaluation and camp activities.

Today, the operations are primarily conducted in the Stockholm region, Västra Götaland and Skåne, but the group is also represented in other parts of Sweden. The operations are anchored in a focus on the individual, high quality of care and a philosophy that all individuals with functional impairments have, with the right care, an opportunity to live a good life – every day of their lives.

"We had, for a period of time been considering to create a leading national LSS-company with a clear quality focus. However, to achieve this aim we were in need of a partner with financial resources, a long-term view, an understanding for the characteristics of our industry and the company's culture, and who shared our vision – we found this partner in Valedo in the summer of 2007. "

Carl och Maud Ekman
former majority owners of Solhaga by

"Partnering with Valedo was a big step for us as owners and for Solhaga by as a company – naturally there was initially a sense of uncertainty whether it was the right choice. Now, three years later, we are very pleased with the development of Solhagagruppen and the cooperation with Valedo. Valedo has contributed with financial resources and competence within areas such as add-on acquisitions and accelerating growth plans etc, where the company was in need of support to achieve the market-leading position the company has today "

Carl och Maud Ekman
former majority owners of Solhaga by

"The partnership with Valedo enabled Solhagagruppen to triple in size, broaden the service offering and establish itself as Sweden's leading focused care company with high quality LSS operations. We are enthusiastic about the future and look forward to continue our strategic development with support from Bridgepoint. "

Saila Ström
CEO of Solhagagruppen

KEY INITIATIVES DURING OWNERSHIP

In creating the leading care company in the selected niche, a number of initiatives have been completed in Solhagagruppen since 2007:

- Five add-on acquisitions completed to strengthen the service offering and geographic presence
- A number of organic growth and development initiatives completed
- Implementation of a group quality assurance system in all units
- The Board and Management have been strengthened with several knowledgeable directors and executives with significant experience of growing and developing private care companies
- The owners have received no dividends during ownership and instead invested considerable capital in the operations
- Key personnel and Management in Solhagagruppen have been offered co-ownership to create long-term incentives and a shared agenda with the majority owner

DIVESTMENT OF SOLHAGAGRUPPEN

When Solhagagruppen in 2010 had reached the targets agreed by the owners in 2007; to develop into the clear market leader in Sweden within care of individuals with autism-spectrum conditions, a potential divestment of Solhagagruppen was evaluated. At this time, potential buyers had also started to contact Solhagagruppen's owners showing a strong interest in acquiring the company, further indicating a reason for the owners and the company to evaluate a change in ownership, in order to continue the strategic development of Solhagagruppen. This resulted in Bridgepoint Development Capital acquiring Solhagagruppen in the spring of 2010. Bridgepoint is a UK-based private equity fund with significant experience and competence in owning and developing private care companies.