

Sefbo

Investment: **2019**

Status: **Exited**

Sector: **Services to housing cooperatives**

Website: **www.sefbo.no**

Creation of the leading provider of services to private housing cooperatives in Norway

During Valedo's ownership, Sefbo has achieved double-digit annual organic growth figures and expanded its presence from a local provider in the Oslo region to a national service provider through more than 30 add-on acquisitions. Moreover, Sefbo's transformed service offering has been developed from exclusively offering technical services to offering a comprehensive range of services for private housing cooperatives, including financial management services as well as specialist and digital services. In total, Sefbo's sales grew by 6x in the four years it was majority owned by Valedo. In addition to a strong financial performance under Valedo's ownership, Sefbo showed strong customer and employee satisfaction.

Background

Sefbo was established in 2019 through a merger of three Oslo-based companies offering technical services to housing cooperatives. In connection with the creation of Sefbo, Valedo joined as a partner and investor. Valedo had followed and analysed the Nordic market for real estate services for several years and had identified services to housing cooperatives as an attractive niche. The niche was considered attractive due to the Norwegian market being highly fragmented and showing healthy underlying market growth with limited cyclicalities and increasing customer demand for new services following the long-term outsourcing trend, presenting an attractive opportunity to create a new type of integrated full-service national provider. In addition, the business model, with a substantial share of recurring and contracted revenues, was considered attractive. Prior to Valedo's investment in Sefbo, there existed no sizeable full-service providers in Norway, and customers were therefore required to engage multiple suppliers for maintenance and administration services, resulting in increased costs and complexity for the customers.

What has been accomplished

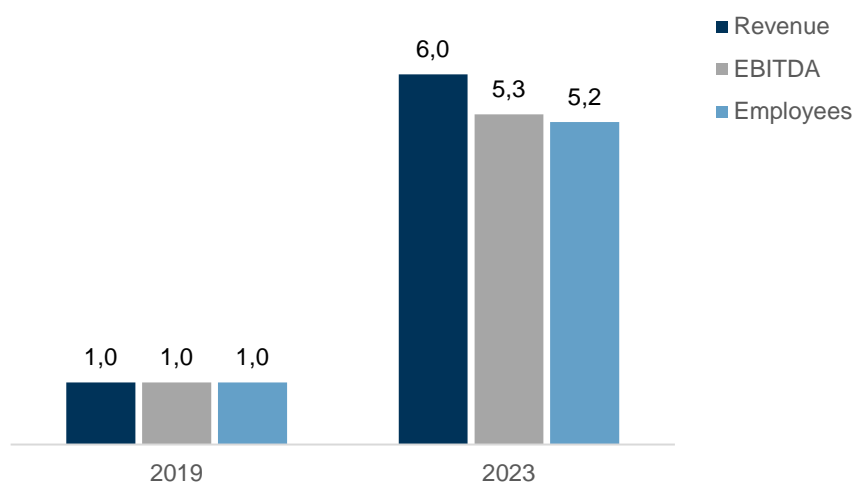
During Valedo's ownership, Sefbo developed from consisting of three local providers of technical services in the Oslo region to become a full-service integrated national market leader. Through double digit annual organic growth, significant investments in digital tools for improved customer satisfaction and over 30 add-on acquisitions, Sefbo increased its revenue by six times and operating profit by more than five times in four years. Additionally, the organisation was strengthened and professionalised through the recruitments of, among other, a CEO, CFO, CTO and COO. The number of FTEs increased from around 100 to over 600.

"Sefbo has since its foundation in 2019 cemented its market leading position in Norway as the preferred partner for residential property owners and housing cooperatives. I want to thank our staff, management team, board and owners for the efforts over the last four years. We have appreciated working together with Valedo and look forward to welcoming PHM Group as a new partner in our continued development. Sefbo joining forces with PHM Group is a logical next step that will empower us to sustain the ambitious growth path we are currently on."

Tommy Fredriksen
CEO of Sefbo

Key metrics

Key metrics (Indexed with base 1,0 for 2019)



Key initiatives during ownership

Several initiatives were completed during Valedo's ownership to create a national market leader within services to private housing cooperatives in Norway:

- Group name, Sefbo, launched in 2020, with local brands to co-exist alongside Sefbo's brand
- Appointment of an external board of directors with experience of growing and developing companies within the services sectors
- Strengthening and professionalisation of the organisation
 - Recruitment of a CEO, CFO, CTO and COO
 - Creation of a group organisation with decentralised structure
- Organic initiatives
 - Groupwide procurement initiatives with +50 group contracts within e.g, insurance, gasoline, workwear etc. negotiated with considerable savings achieved
 - Structured knowledge sharing between group companies
 - Significant growth achieved from cross-selling of services to Sefbo's existing customers
 - Realisation of synergies, including e.g. route optimisation and utilisation improvements
- Investments in IT and digitalisation
 - Development and implementation of internal operational IT system to improve customer offerings, upselling on existing customers, improved operational efficiency, etc.
 - Development of proprietary owned digital service offerings to Sefbo's customers
- Over 30 add-on acquisitions completed to increase geographic presence and service offering
- High customer and employee satisfaction
- A broad co-investment program was implemented to the employees in order to create a joint agenda

Divestment of Sefbo

Following inbound interest from PHM Group (a group with similar offering focused on the Northern European market), bilateral discussions in early 2023 led to an offer for Sefbo being presented in July 2023, taking into consideration the strategic position as well as the synergy potential between PHM Group and Sefbo. This led to the transaction being consummated in September 2023.