



Enabling efficient installation of fiber infrastructure

DEAL FLASH | INDUSTRIAL MACHINERY & COMPONENTS | MARCH 2022

DEAL SNAPSHOT

Storskogen Group AB has entered into an agreement to acquire a majority stake in Fremco A/S, a company specializing in the development and production of fiber blowing machines.

Headquartered in Frederikshavn, Denmark, and founded in 1945, Fremco develops, manufactures and markets fiber blowing machines and complementary products used in the infrastructure construction industry for blowing fiber optic cables into telecommunication ducts and micro ducts underground. It is a highly specialized niche company with international sales through more than 30 resellers worldwide. The current management shareholders and two employees are reinvesting in the new ownership structure.

Headquartered in Stockholm, Sweden, and founded in 2012, Storskogen acquires and develops profitable companies in the Nordic countries, the DACH region and the UK, within the industry, trade and service sectors. The group consists of around 90 business units with approximately 7,000 employees and a combined turnover of nearly US\$2 billion over the last 12 months. Storskogen is listed on Nasdaq Stockholm. With Fremco's leading market position, the acquisition is fully in line with Storskogen's long-term strategy of investing in successful niche companies and supporting strong management teams on a continued growth journey.

“Oaklins has from day one demonstrated a solid understanding of our industry and was excellent in conveying the unique characteristics of our business to potential buyers. This effort put us in the great position of having a number of suitors showing strong interest in the company. With Oaklins' support, we are confident that we have found the right long-term home for Fremco.”

KIM CARLSEN
CEO
FREMCO A/S, DENMARK

OAKLINS ASSISTS IN FINDING THE RIGHT PARTNER

Oaklins' team in Denmark acted as strategic and financial advisor to the owners of Fremco. The team in Sweden supported the transaction.



MARKET TRENDS & DEAL DRIVERS

The market for fiber blowing machines is supported by global megatrends and is currently experiencing double-digit growth. The penetration rate of the fiber blowing method is low in many countries but growing, as rising knowledge and recognition of the more efficient blowing installation process are leading it to replace the conventional method of pulling cables.

Most markets, including Europe, North America and Asia still experience very low maturity in relation to fiber infrastructure, and are expected to invest heavily in the area for many years to come in order to handle global megatrends such as the transition to 5G, urban digitalization and general demand for fast and reliable networks.

It is an attractive niche where early technology leaders are well positioned to benefit from increasing global demand.

M&A VALUATION ASPECTS

Financial details have not been disclosed. Industrial companies with a leading position in a well-defined niche market remain attractive acquisition targets for strategic and financial investors.

Multiples and attractiveness are primarily driven by the company's product technology, market position, management team, size, financial performance as well as growth outlook.

TALK TO OUR ADVISOR

✉ **DANIEL SAND**

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Daniel brings extensive experience from executing cross-border transactions across a wide range of sectors. His experience includes strategic advisory and carrying out transactions for private and public companies as well as government-owned entities. Daniel has worked with Nordic and international private equity funds, both as buyers and sellers of companies. Recent clients he has advised include Axel Johnson International AB, eSignatur and SKIOLD A/S.



“It has been a real privilege working with the Fremco team. Fremco has built a strong position in a growing niche market, which is supported by globally increasing demand for fiber optic infrastructure. Fremco is ideally positioned to address these market opportunities, and we look forward to following the company's continued success with a new strong owner.”

DANIEL SAND
MANAGING PARTNER, OAKLINS, DENMARK

OAKLINS HAS CLOSED 251 DEALS IN INDUSTRIAL MACHINERY & COMPONENTS

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