## Accent Equity divests Cefar to Encore – US company controlled by Blackstone

The Swedish mid-market private equity specialist, Accent Equity, has divested its holdings in Swedish med-tech company Cefar to US-based Encore Medical. Encore was recently bought out from Nasdaq in a public-to-private transaction led by Blackstone Capital Partners. Blackstone is one of the world's leading private equity groups, managing a total capital amounting to some USD 27 billion.

Accent Equity invested in Cefar in 2003 by acquiring shares from the former owner, Mats Dörring and in addition committing capital for growth. Accent has thereafter as principal owner actively participated in Cefar's development – particularly its international expansion. The company has in the past few years acquired its distributors in France and Spain thereby substantially increased its market presence in these countries. Last spring preparations for a listing of the Cefar share was initiated. This process came to a halt when Encore expressed its interest to acquire the company.

Cefar is a leading company within the expanding field of electrotherapy. The company was established in Sweden in 1975 and is currently represented in large parts of the world. Customers are mainly found within public and private healthcare and in the consumer market. Product development takes place in Sweden in partnership with customers and external specialists. Cefar has some 100 employees.

The current transaction is structured so that Accent will receive part of the compensation in cash and part in shares in the acquisition vehicle controlled by Blackstone.

"We have accomplished our objectives with this investment," comments Jan Samuelson from Accent Equity Partners, advisor to all Accent funds. "This transaction will secure a long-term successful development for Cefar in Sweden as well as internationally. We are reducing our risk level in Cefar and at the same time taking part in Encore's value growth through our continued ownership."

Encore Medical is a diversified orthopedic device company with leading positions in many of the markets in which it competes. Encore develops, manufactures and distributes a comprehensive range of high quality orthopedic devices, including surgical implants, sports medicine equipment and products for orthopedic rehabilitation, pain management and physical therapy. The company's market cap before delisting was USD 470 million. Encore's net sales amount to USD 400 million and the company has some 1,400 employees. After the acquisition of Cefar, Encore will through its subsidiary Compex, become the definitive European leader within the field of electrotherapy.

Ken Davidson, the chief executive officer of Encore Medical said, "Cefar is an excellent strategic addition to our electrotherapy business. They bring a great capacity for medical innovation and market expansion, and an outstanding European management team. We are delighted to be joining forces with Cefar in Europe, and look forward to what we can do with the combination of Cefar and Compex SA."

Accent will have an observer seat in the acquisition vehicle set up for Encore.

Please call Jan Samuelson at Accent, telephone +46 70 830 96 00, for further information.

## Accent Equity in brief:

Accent Equity Partners is a leading lower mid-market private equity company specialising in corporate buyouts in the Nordic region. Since the mid-1990s, Accent has advised six funds that have carried out over 40 investments and some 30-odd exits. Accent Equity Partners is an advisor to funds with a total capital of about SEK 5 billion, of which SEK 1 billion is available for new investments. Accent invests in well-established Nordic companies with a potential for value creation by means of operational improvements, strategic development and strong growth. Further information: www.accentequity.se

<u>Blackstone in brief:</u> Blackstone has been a leader in the field of private equity investing since 1987, managing \$27 billion through its Blackstone Capital Partners I, II, III, IV, and V and Blackstone Communications Partners funds.