

CASE STUDY: CeDo

RUTLAND
PARTNERS

Operational improvement delivers significant returns

CeDo is one of Europe's leading manufacturers of household disposable products including refuse sacs, aluminium foil and cling film. The business has a strong market share through its relationships with the majority of Europe's largest supermarkets and discounters, supplying both own-label and branded products. However, at acquisition, CeDo was effectively two separate businesses in need of operational change, strong leadership, a clear strategy and investment.

Optimising operations

Rutland's strategy was simple: to be the lowest cost scale producer in the market. It involved integrating the European and UK operations, relocating the head office to the UK and completely overhauling the senior management team led by a new Executive Chairman, Alan Jamieson and a new CEO, David Pearce.

Rutland worked closely with the new team focusing the business on three key strands: improved manufacturing efficiency, reduction in cost of sales by substitution of polymers for cheaper materials and elimination of excess overhead costs. The implementation of these cost reductions and efficiency measures successfully drove increased profitability for the business.

Investing in state of the art technology

CeDo also pioneered, and continues to drive forward, higher inclusion of post-consumer recycled (PCR) polyethylene granules for its black sac formulation. This enables substitution of virgin polymer, which is both cost effective and environmentally friendly, made possible by a previous investment in its own PCR facility in the Netherlands.

However, the availability of quality agricultural feedstock for the recycling facility was gradually declining and as a consequence input costs looked set to increase. Supported by Rutland, CeDo invested in a new state of the art recycling line, which enabled the business to access a new zero cost feedstock that unlocked considerable cost savings.

Reacting to change

The success of Rutland's investment in CeDo is reflected in the extensive number of value added initiatives, which were driven under the ownership period, and Rutland's ability to react to change. One such change was

addressing the continuing increase in production costs in China by relocating the Asia supply base to a new Greenfield site in Vietnam. The cost advantages of the Vietnam factory ensure CeDo remains a cost leader both now and in the future.

A company that will continue to grow

The result of Rutland's five year tenure was a professionalisation of the business and step change in the profitability which, ultimately, led to a successful exit. Rutland sold CeDo to Straco, a private Belgian family investment company, who bought the Group with the intentions of continuing to grow and develop the business, retaining the existing management team led by CEO, David Pearce.

Rutland investors generated a multiple of 2.8x times the original investment and a gross IRR of 25%.

Catalyst for Change



"Rutland's investment expertise has been invaluable to CeDo. With Rutland's support, we have successfully restructured the business and delivered significant growth over the past few years. CeDo is now well placed to take advantage of new opportunities and continue to grow."