

InArea Group to Partner with Polaris Flexible Capital for Strategic Acquisition in Finland

Polaris Flexible Capital (PFC I) is delighted to announce a strategic investment in InArea Group AB, a leader in the Swedish tiling, leveling, and flooring market. This partnership facilitates InArea's entry into the Finnish market and supports the acquisition of Heikkinen Yhtiöt Oy and LTU Group Oy, enhancing its position as a Nordic leader in the industry.

InArea Group, headquartered in Sweden, operates from 27 locations and employs approximately 800 professionals. Serving a diverse range of corporate, public, and private clients, InArea is recognized as a market leader in its segment. The company is majority-owned by the Swedish investment firm Small Cap Partners.

By acquiring Heikkinen Yhtiöt Oy (Heikkinen) & LTU Group Oy (LTU), InArea will establish a strong foothold in the Finnish market. Heikkinen has a large overlap with InArea in terms of product offerings and will thus serve as an important geographical expansion. LTU is focused on painting and walls, which will provide InArea access to new competencies and breadth in the overall product reach. Jointly, Heikkinen and LTU have revenues of ca. EURm 100 and 600 employees.

Following the acquisition, the combined entity will have revenues of c. EURm 250 and 1,400 employees. Despite the current downturns in the building and construction sectors, both companies are well-managed and profitable, poised for ambitious growth as market conditions normalize.

"In addition to an international expansion, the deal means a step into the painting industry, which is in line with our strategic plan to offer our customers services for floors as well as other surface layers. In the short term our focus is to continue growing in flooring, tiling and levelling. It is in these areas that we see the greatest potential for synergies, mainly in purchasing, logistics and sustainability. Both Sweden and Finland are currently experiencing a subdued market affected by the ongoing recession, but when market conditions normalize, the potential in the business is great. We are happy to welcome Heikkinen & LTU Group and look forward to developing together" says Rikard Fransson, CEO of InArea Group

As part of the transaction, PFC will invest in InArea and become a minority shareholder and represented at the Board of Directors. This investment will be the 4th in the PFC I fund. PFC offers capital to Nordic companies in order to finance growth, expansions, transitions and acquisitions. We can tailor our capital solutions to best accommodate the needs of the companies and its owners.

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About Polaris – The Power of Partnership

Polaris is a Nordic Investment company based in Copenhagen, which invests in and provides capital to well-established medium-sized companies in the Nordics. Since 1998, Polaris has raised 7 funds across its three strategies; Private Equity, Flexible Capital and Public Equity, and obtained capital commitments of more than EUR 2 billion. Our investment focus is to invest in companies with growth and development potential. Read more at www.polarisequity.dk

About InArea Group

InArea is a Swedish Group specializing in flooring, tiling, and leveling services. Operating from 27 locations, the company employs approximately 800 professionals. Serving a diverse range of corporate, public, and private clients, InArea is recognized as a market leader in its segment, focusing on providing sustainable and innovative building solutions. Read more at www.inareagroup.se