

CASE STUDY **SCHLEICH**

A New Chapter of Growth for an Iconic Toy Maker



KEY FIGURES

- Founded in 1935
- Investment period: 2014 - 2019
- Sales growth: c.13% CAGR 2013 - 2018

A PROUD HERITAGE

Schleich was founded more than 80 years ago by Friedrich Schleich in Schwäbisch Gmünd and became famous for its realistic human and animal figurines, which are loved by children all over the world. Today the company is one of Germany's largest toy manufacturers, designing its wide range of themed play worlds in Germany, and exporting them to more than 50 countries.

A HIGHLY EFFECTIVE TRANSFORMATION STRATEGY

We invested in 2014 and alongside the management team we pursued a series of initiatives to expand Schleich's addressable market and accelerate its sales growth.

The key elements of our transformation strategy were:

- Enlarging the product range to include new and complementary play sets and rejuvenating the range of figurines. Schleich's offering now covers a much wider range of prices and buying occasions, from spontaneous purchases to Christmas gifts.
- Sharpening the company's brand and product positioning to support international growth and emphasize Schleich's role in promoting children's creativity.
- Optimizing the supply chain, strengthening the team with new hires and improving the company's governance structures and management controls.

SCHLEICH RECORDED STRONG GROWTH DURING ARDIAN'S OWNERSHIP

During the five years of our investment, Schleich's annual sales increased from €106m to €183m and its workforce expanded from 340 to 400. Highlights included:

- Strong growth of the new playsets category introduced in 2014. This grew from zero to around €76m of sales by 2018, underlining the company's ability to significantly increase its market share.
- A much stronger brand, with aided awareness increasing from 66% in 2014 to 94% in 2018.
- International roll-out leading to rapid sales growth. As of March 2019, leading up to our exit, year-to-date sales in the US grew 16.1% compared with the previous year, UK sales rose by 74.5%, and French sales by 50.9%.

TESTIMONIALS

"After five years of continuous growth, Schleich is in a great position. We would like to thank Schleich's management and employees for the great job they did over the past five years – be it in the further development of the product range, marketing and sales work, internal processes and structures or the supply chain. With its playsets and play worlds, Schleich has secured a place in the hearts of parents and children. We are happy to have contributed to the successful development of this history-rich company." - Fabian Wagener, Managing Director in Ardiان's Buyout team

"At the product and the company level, Schleich is more than ever competing on equal terms with the best-known brands in the toys industry while remaining true to its tradition and values. Without the active support of Ardiان, this development would not have been possible at this speed and consistency. We would like to thank Ardiان for its confidence in the management, the great candor and close interaction in the co-operation." - Dirk Engehausen, CEO of Schleich



Product range in situation: the ranch, the horse tournament and wildlife.