

CASE STUDY

CLINICAL WASTE

In 2000, as a result of the divestment of a non core business by a public listed company, CVC acquired a majority interest in Clinical Waste Australia (CWA). CWA was the leading medical waste company in NSW and owned and operated the only high temperature incineration facility in the State which was based at Silverwater. While the business had been profitable, given that it had become a non core business of a larger listed group, it had not received all of the attention that it would receive as a stand alone business with a dedicated major shareholder.

The involvement of CVC at Board level provided the Managing Director with a solid sounding board for what was a fairly complex business from an operational perspective. In addition, CVC strategic advice and input assisted in enabling the Company to win all of the NSW public hospital clinical waste contracts. This resulted in a quantum leap forward for the Company requiring substantial further investment in vehicles, equipment and personnel. Once again CVC assisted the Company by providing the short term working capital required as a result of the substantial organic growth.

With CVC's assistance, CWA continued to grow over the ensuing 12 months. When another public listed company expressed an interest in acquiring CWA, CVC were instrumental in negotiating a trade sale which resulted in all the shareholders receiving almost three times the investment valuation of some 15 months earlier.

By partnering with the management team, who were also shareholders in CWA, CVC was able to achieve an outstanding result in a relatively short period of time.



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