British Private Equity & Venture Capital Association

//// February 2021

New Horizons

UK venture capital and private equity: creating public value

About this report

This report has been produced by the British Private Equity and Venture Capital Association to highlight the ways in which the industry contributes public value to the United Kingdom and how in 2021 it can help address a range of policy challenges and opportunities.

The industry has a significant presence in the UK developed over the past 30 years. Private equity and venture capital provide UK companies with the finance and know-how to deliver sustainable business growth. Active ownership over the medium to long term delivers economic and social value to those involved in the businesses (from employees, management and owners on the one hand to customers and suppliers on the other) and a wide group of stakeholders (the local communities in which they are based and policymakers).

Both parts of the industry are focused on delivering sustainable growth for the companies in which they invest: venture capital firms typically support early stage and younger companies, holding minority stakes in the businesses, while private equity firms typically acquire controlling stakes in more established businesses.

Part one of the report highlights the key policy themes and how the industry is aligned to support policymakers' objectives; part two provides further background and detail on how the industry operates; and part three offers further insights into the contributions made by private equity and venture capital.

Private equity and venture capital at a glance

Employment

972,000

people are employed in the UK by companies backed by private equity and venture capital

Footprint

4,290

companies are currently **backed by private equity** and **venture capital** in all nations and regions of the UK

Focus

90%

of **industry backing** was **directed at small** and **medium sized businesses** in 2019

Sector expertise

Technology and **healthcare** have been among the **leading sectors** for recent investment by the industry

Investment scale

£43 billion

has been **invested in 3,230 companies** in the past 5 years

Global funding

£48 billion

total funds raised in 2019. The number of **funds raising new capital** was **118**

Global hub

Outside the USA, the UK hosts the world's most significant **private equity and venture capital hub**, reinforcing the UK's financial services leadership

Returns

14.2%

returns have been **generated for pension funds** and other investors by the UK industry over the past 10 years, **out-performing other asset classes**

These statistics are taken from BVCA RIA data from 2015-2019 – this reflects the totals of BVCA members.

Contents

Creating public value

The past year has been unlike anything we have experienced before. In a rapidly changing world, the COVID pandemic has joined climate change, technological disruption and social change in fundamentally challenging and altering the way we live. The resulting health emergency has cost over two million lives and caused unprecedented economic damage in all parts of the world.

For policymakers in the United Kingdom, as elsewhere, the demands have been acute and the responses on a scale rarely seen in peacetime. This reality will continue for some time. But alongside the ongoing management of the COVID crisis, attention in 2021 is also focused on other critical policy priorities. In four areas of policy in particular there is clear intent to make progress:

1. **COVID** – delivering economic recovery as the health emergency recedes
2. **Cohesion** – addressing disparities in economic and social opportunities in the nations and regions of the UK
3. **Competitiveness** – developing the UK economy's position in the world after Brexit
4. **Climate and sustainability** – setting course for Net Zero in the context of wider environmental, social and governance objectives

This agenda is ambitious, but has support across the political spectrum and elsewhere. Everyone has a part to play, not least in the business community. **Responsible businesses recognise that in addition to generating economic value for the country they must also produce social value, bringing the two elements together to create public value.**

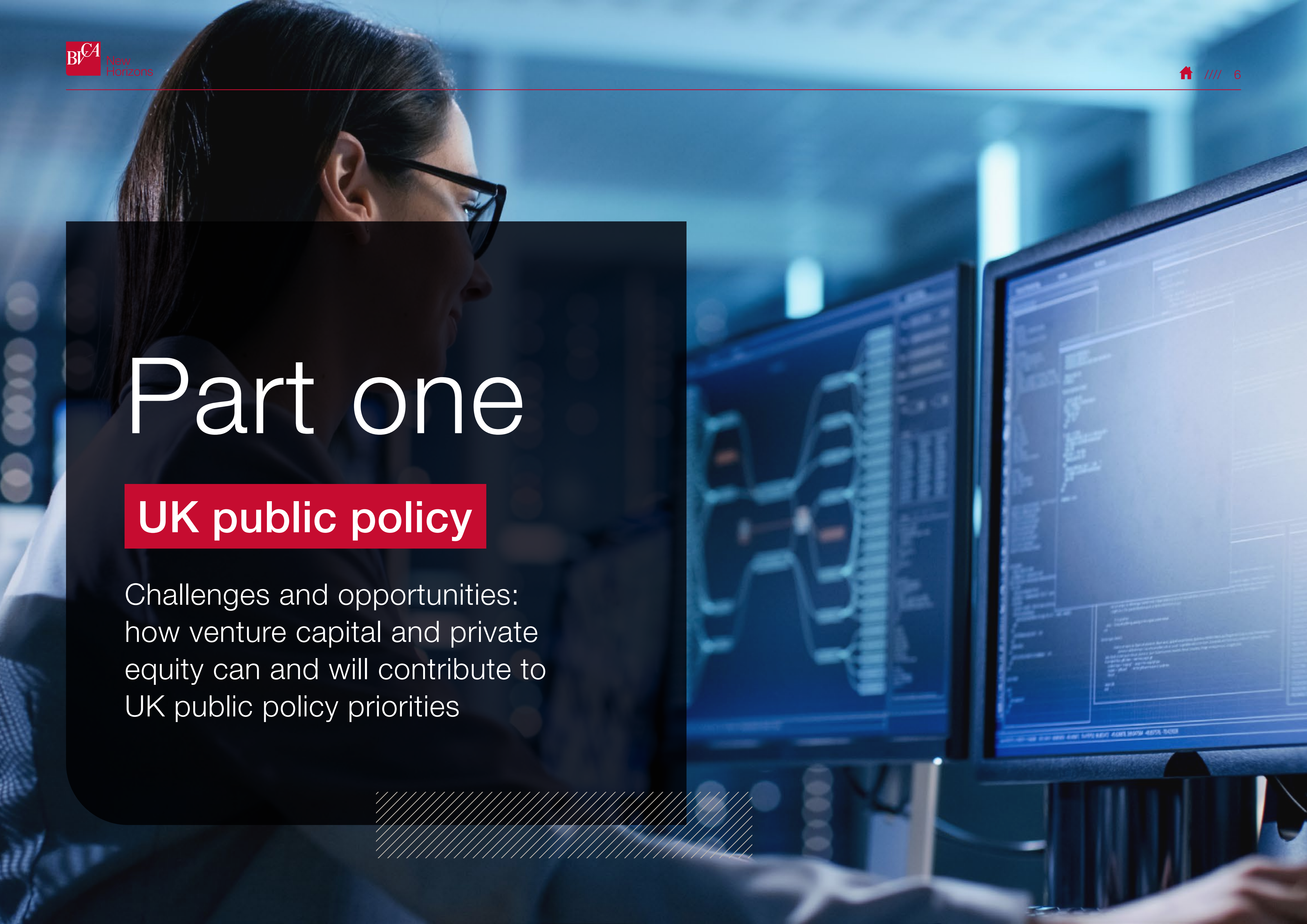
The private equity and venture capital industry certainly understands these imperatives. There are nearly a million people employed in businesses in the UK backed by our members, who in recent years have invested in small and medium sized businesses in all parts of the UK and have continued to do so throughout the current COVID crisis.

Looking ahead the industry is well positioned to support the UK in a growth-led recovery. Substantial funding is available to support the economic recovery through immediate investment and ongoing active portfolio management of those businesses. Opportunities are being explored throughout the country, developing new tech sectors and growing established parts of the economy alike. The industry has embraced the need to invest and act responsibly, recognising the pressing timescales to adapt the economy and society to changing environmental and other realities.

To deliver this public value, private equity and venture capital attract significant flows of international capital into the UK, along with talented individuals from across the globe. This underpins the UK's position as the world's largest hub of capital and expertise for venture capital and private equity outside the USA. We therefore welcome commitments to maintain the attractiveness and competitiveness of the UK's investment climate which will in turn ensure the ability of private equity and venture capital in the UK to support the public policy objectives which are the priorities for 2021 and beyond.

Michael Moore
Director General, BVCA

February 2021

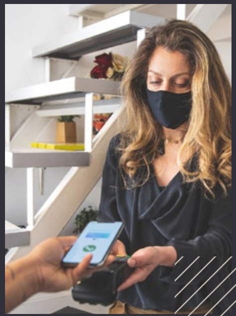


Part one

UK public policy

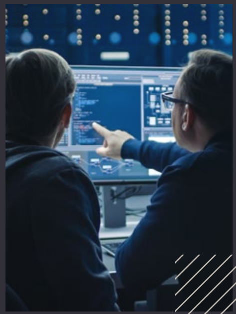
Challenges and opportunities: how venture capital and private equity can and will contribute to UK public policy priorities

Four public policy priorities



1
COVID

Supporting the economic recovery



2
Competitiveness

Driving technology, innovation, growth and productivity

3
Cohesion

Providing opportunities across the UK

4
Climate

Delivering ESG objectives and working towards Net Zero

Supporting the COVID recovery

COVID-19 continues to have an unparalleled impact on people's lives and jobs. The responses from government have been on a scale never seen before and have been essential to support the economy through the crisis. For its part, the private equity and venture capital industry is invested in all significant sectors of the economy and in all parts of the UK. Throughout this period, **BVCA members have worked closely with the businesses in which they have invested, providing additional finance, strategic guidance and operational expertise.** This intense engagement is a key part of the business model of the industry.

Stabilisation to recovery

While great uncertainty remains, the optimism generated by the rollout of the COVID vaccines means that during 2021 the country can look forward to a shift in the economy, from stabilisation to recovery. Private equity and venture capital will support both of these phases. While the industry's initial focus during the crisis has been to support its existing portfolio of investments, capital has continued to be raised by BVCA members to invest in the development of new opportunities.

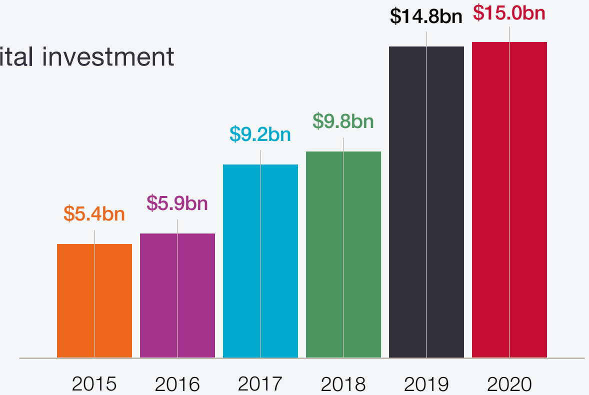
Conditions may remain challenging in the immediate future, but **the industry is continuing to invest, which will deliver economic growth and job creation to underpin the recovery.** After a pause in the spring of 2020, investment activity has increased again, providing immediate benefits to the economy – **Q3 and Q4 both registered 200+ deals and around £37.4bn of aggregate deal value**[1].

Given the right economic conditions, and with an attractive investment climate maintained, the industry will be able to support significant further investment into new opportunities, utilising the record amounts of capital raised in 2019. As it has done before it will invest across all stages of a company's development – from start-ups in deeptech, fintech, medtech and life sciences supported by venture capital, to growth capital and the buyout of more mature businesses, which is the focus of private equity.

[1] https://assets.kpmg/content/dam/kpmg/uk/pdf/2021/01/uk-mid-market-pe-review.pdf (page 10 - overall UK PE activity)

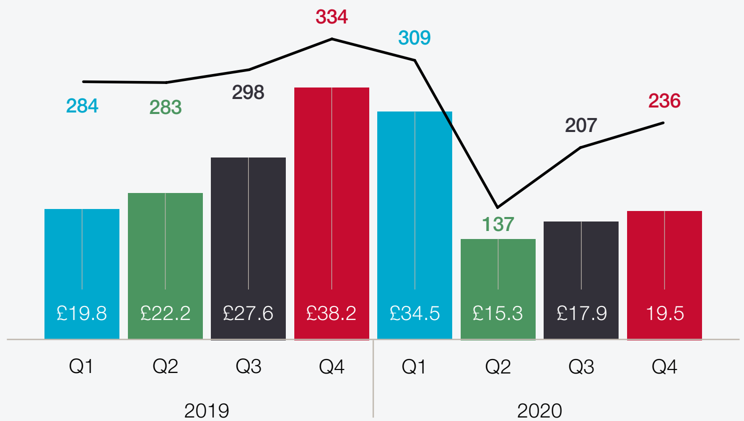
Creating public value

Venture capital investment in the UK



Technation / Dealroom – UK tech Ecosystem update – end of year 2020

Total UK private equity quarterly deal volume and value (£bn)



KPMG UK Mid-market Private Equity Review: FY 2020 (page10)

+50% **Job vacancies in tech** have climbed 50% since July 2020

Tech Nation – 2020 in review

Developing UK competitiveness

Technology and innovation, growth and productivity

Academic research has demonstrated numerous times that private equity backed companies are more productive than other businesses in their economies. They are also, on average, more innovative, filing more patents[2].

This is reinforced by BVCA-commissioned research. EY have analysed the performance of 53 companies representing many of the largest buyouts in the UK. This report[3] shows **that labour and capital productivity increase under private equity ownership, by 1.5%–3.3% and 12.2% per annum respectively, while Gross Value Added per employee across most of the last 12 years has increased by more than the UK private sector.**

> *"Productivity isn't everything, but in the long run, it's almost everything."*
>
> **Paul Krugman,** Nobel prize-winning economist

Sustained productivity increases involve the adoption of new technology and EY's report shows a 3.3% annual increase, over 12 years, in the level of capital expenditure on tangible assets by these businesses. **Private equity is actively looking for investments in technology-enabled companies across all sectors and this will continue to drive productivity in the future.**

Many new venture-backed technology companies are creating innovative software, among other products, which will increase the productivity of whole sectors of the UK economy, like banking, insurance and healthcare. Specific case studies can be found in part three of this report.

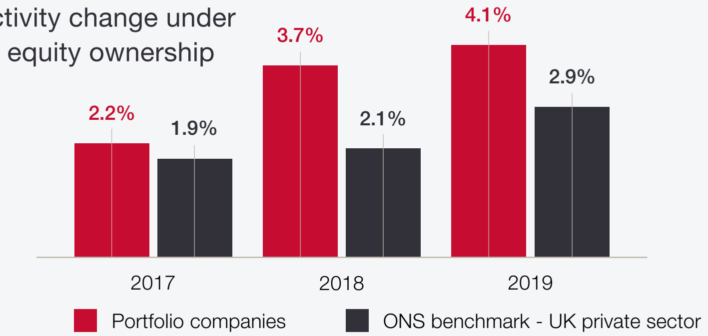
The UK has created, over several decades, the largest hub of private equity and venture capital expertise in Europe. The country is therefore well placed to benefit from the attractive private equity and venture capital ecosystem it has created. However, in order to benefit long-term, the UK has to remain an attractive destination for international capital flows, and a magnet for global talent, to build on the country's highly regarded legal and financial systems and dynamic and skilled workforce.

[2] The Impact of Private Equity Buyouts on Productivity and Jobs by John Gulliver, Wei Jiang :: SSRN

[3] EY Annual report on the performance of portfolio companies XIII

Creating public value

Productivity change under private equity ownership



EY Annual report on the performance of portfolio companies XIII

£36.5bn

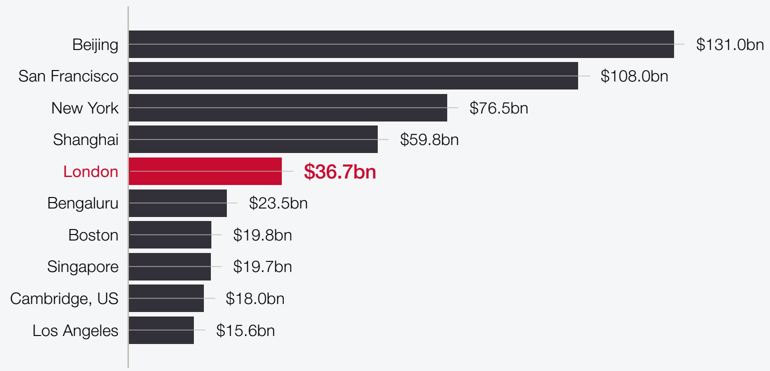
Combined turnover generated by venture capital and angel investment backed businesses in 2018

£19.7bn

Collectively **contributed** to **UK** Gross Domestic Product **(GDP)**

BVCA Fuel for the Innovation Nation 2020

London is the only European top ten destination for VC investment (2016-2020)



London – europe's global tech city (dealroom)
Note: VC funds data for 2020 until 14/12

Supporting UK cohesion

The COVID crisis has brought additional attention to the long-standing gaps in economic performance between the different nations of the United Kingdom and the regions within them. The cohesion challenges facing the UK, as characterised by the 'north-south divide' or the need for 'levelling up', are a priority for government.

Private equity and venture capital firms have created an **investment footprint in all parts of the UK, supporting a wide range of communities and business sectors** and are well placed to help address this challenge.

Geographic spread

The geographic spread of the industry's investment has been notable since its inception: 56% of the industry's investment in the past 5 years lies beyond London and the south east of England. To give a further illustration of this, the north west of England saw close to 10% of all private equity and venture capital investment in the UK in 2019[4]. Of the £43bn invested by BVCA members into 3,230 UK businesses from 2015-2019, **£2.3bn of this was in Scotland, Northern Ireland and Wales, £4.5bn into the Midlands and £6.6bn in the north of England**[5]. Some of the most exciting new developments in particular sectors, such as pharmaceuticals, medtech and AI[6], each supported by venture capital, are having a positive impact across the UK - and this is expected to continue: Bristol[7], Manchester[8] and Edinburgh[9] received substantial venture capital investment to fund university spinouts in 2020.

Holistic view

The case studies in this report further illustrate our member's investment activities and show that the UK is a prime destination for investment. Covering the length and breadth of the country, these businesses clearly demonstrate the willingness of our member firms to invest wherever they find diverse talent pools, strong management teams and innovative ideas.

[4] https://www.bvca.co.uk/Portals/0/Documents/Research/Industry%20Activity/BVCA-RIA-2019.pdf

[5] BVCA RIA data – 2015-2019

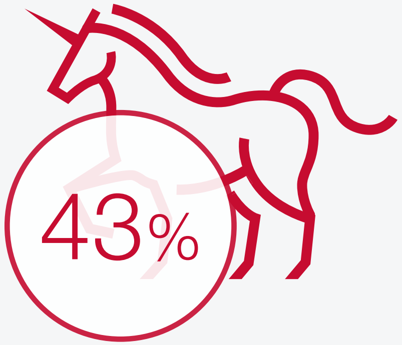
[6] https://www.beauhurst.com/wp-content/uploads/2021/01/Spotlight-on-Spinouts-RAEng.pdf (page 5)

[7] https://octopusventures.com/wp-content/uploads/sites/8/2020/11/Octopus-Ventures-Entrepreneurial-Impact-Ranking-2020-1.pdf (page 11)

[8] https://www.businessupnorth.co.uk/university-spin-out-fund-makes-half-a-million-pound-first-investments/

[9] https://www.beauhurst.com/wp-content/uploads/2021/01/Spotlight-on-Spinouts-RAEng.pdf

Creating public value



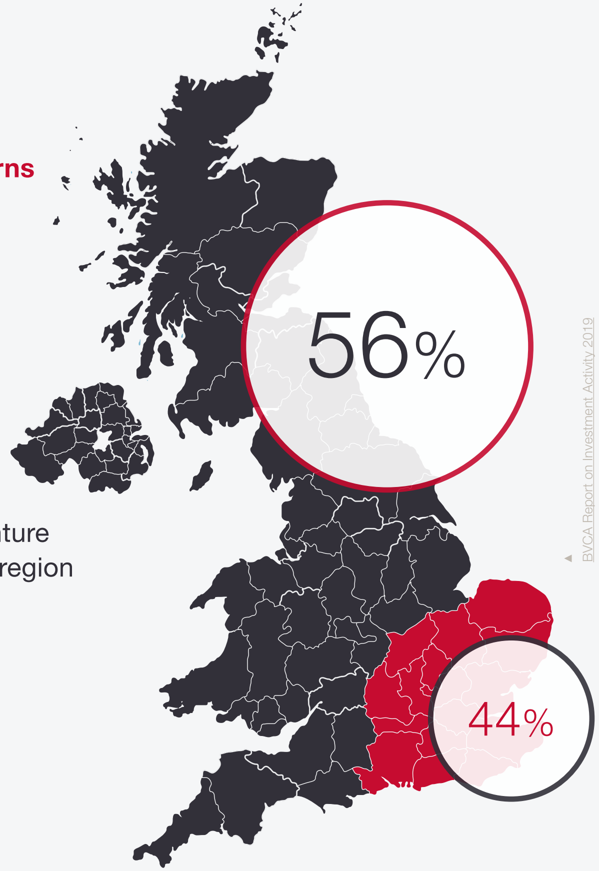
35%

The **UK is home to 35% of Europe's unicorns**

UKTech.News

Six of the UK's 14 **unicorns** are **in the North West**

UKTech.News



All private equity and venture capital – Investments by region over the past 5 years (%) 2015-2019

BVCA Report on Investment Activity 2019

Tackling climate and ESG

Investing in Net Zero

The UK was the first major economy to commit to Net Zero by 2050 and will host the UN COP26 climate conference in November. The UK's green technology and green finance ambitions will require investment in early stage technology and entrepreneurs. Case studies in this report show companies rethinking how we shop, to reduce packaging; to companies pioneering low carbon electricity and services; to companies revolutionising textiles manufacturing to reduce our reliance on high carbon materials.

Private equity and venture capital investments build the foundations of a greener future. The UK Government aims to mobilise £12 billion in government investments and up to £36 billion from the private sector to deliver a 'Green Industrial Revolution'[10]. In 2019, venture capital invested £336 million in Net Zero companies in the UK, 55% more than France and 18% more than Germany[11].

Joining the dots for a green recovery

In an industry built on connections and sharing good ideas, the UK branch of the Initiative Climat International (iCI) was launched in June 2020, bringing together investors and fund managers totalling over £180 billion in funds under management. The network focusses on reducing carbon emissions of private equity-backed companies and securing sustainable investment performance. By pooling knowledge, opportunities and best practice, the network can help drive investment in companies which will in turn drive the green recovery.

Sharing values

Private equity and venture capital backed companies are shining a light on environmental, social and governance (ESG) by **increasing the quantity and quality of reporting, which helps drive behavioural changes.** UK private equity signatories to the UN Principles for Responsible Investment increased by 127% between 2015 and 2020. This transparency helps investors to select private equity and venture capital firms which share their values.

[10] The Ten Point Plan for a Green Industrial Revolution (publishing.service.gov.uk), 2020

[11] Technation – net zero report, 2020

Creating public value

63% of PE firms now **take ESG principles into account** when making investments

Financier Worldwide

Four of the 10 largest deals raised by European purpose driven tech in 2020 were in the UK

	Company	Description	City	Country	Round size	Deal date
1	Northvolt	Lithium-ion batteries	Stockholm	Sweden	$600m	September 2020
2	**Octopus Energy**	B2C sustainable energy supplier	London	UK	$396m	April 2020
3	Lilium	Fully electric vertical take-off and landing (VTOL) jet	Weßling	Germany	$240m	March 2020
4	EcoVadis	Sustainability ratings software	Paris	France	$200m	January 2020
5	Kry	Telemedicine platform	Stockholm	Sweden	$154m	January 2020
6	Back Market	Refurbished electronics marketplace	Paris	France	$121m	May 2020
7	**Arrival**	Electric buses and vans	London	UK	$113m	January 2020
8	**Connexin**	Smart city infrastructure	Hull	UK	$106m	September 2020
9	**Tokamak Energy**	Fusion power research company	Abingdon	UK	$87m	January 2020
10	Volocopter	Fully electric helicopter	Bruchsal	Germany	$87m	February 2020

The State of European Tech 2020 – Atomico

48% of **UK private equity firms** now **report to investors**, in detail, **on ESG impact**

Financier Worldwide

Keeping the UK competitive: the investment environment

Public value is at the heart of what private equity and venture can deliver for the UK.

Consequently, senior political figures in the UK have for many years recognised the importance of ensuring that the attractiveness of Britain's investment environment and its international competitiveness are maintained.

As the Prime Minister Boris Johnson has stated:

"We are number one in Europe for the emerging technologies that will transform the lives of every single human being. Tech companies are increasingly striving not solely to maximise profits but to achieve a wider purpose, deploying the arsenal of technology against the giant evils of hunger, poverty and disease."

Prime Minister **Boris Johnson**

This has in no small part been achieved by the UK's longstanding approach to enterprise, summarised over 20 years ago by former Prime Minister Gordon Brown:

"[the] capital taxation system should better… reward risk taking and promote enterprise."

Former Prime Minister **Gordon Brown**

This international competitiveness has underpinned the growth of the UK's private equity and venture capital industry in recent years. **Funds managed by the UK-based industry attracted nearly £50bn of investment capital in 2019, approximately 90% of which was raised from international investors.** This significant pool of capital is managed by a specialist investment community based in the UK, but drawn from across the world, meaning that the UK hosts the largest hub of private equity and venture capital expertise in Europe – as highlighted elsewhere, it is the most significant anywhere outside the USA.

Private equity and venture capital firms in London, Edinburgh, Manchester and other cities across the country are an important part of a broader financial services ecosystem which makes Britain a globally significant financial services centre. This status is founded on the ease of doing business in the UK and the country's regulatory, legal and tax frameworks which set and maintain world-class standards.

However, the competitiveness of the UK's investment environment is not unchallenged and other jurisdictions in Europe and elsewhere have been making inroads in recent years, eroding the country's competitive standing. It is important that no further ground should be lost, so the ambition expressed by senior policymakers to see UK financial services grow, based on continued international openness, technological innovation and by embracing green finance, is welcome.

As we transition to new arrangements, the debate over the future of taxation of businesses and individuals is of great importance. The private equity and venture capital industry understands that the impact of the pandemic on the health and economy of the UK means that everyone will need to take a role in the recovery. The industry acknowledges that this will include fair contributions to tackle the fiscal gap, as well as its role in funding entrepreneurs and innovators to assist the recovery. In addressing any wider tax issues, the international context will remain important. The current approach in the UK echoes international practice, by recognising gains made by private equity and venture capital, in the main, as capital - this successfully incentivises entrepreneurial investment, risk-taking and value creation over an extended period.

Alongside the wider business environment in the UK, an appropriate tax, legal and regulatory environment will support the continued attractiveness of the UK as an investment and employment location for private equity and venture capital. This will enable the industry to continue to create the public value highlighted in this report.

Part two

Venture capital and private equity in the UK

How the industry makes and delivers its contributions to public value

Understanding private equity and venture capital

Funding the future

Private equity and venture capital are types of investment for companies with high-growth potential. Private equity and venture capital funding is part of the growth journey for many small and medium sized companies. Venture capital backs founders while private equity often allows entrepreneurs and parent companies to pass ownership onto their management teams. In addition private equity and venture capital funding allows the company to expand its reach, take risks, scale, and/or weather the bumps on the road to becoming a mature, larger business.

A long term view

The duration of the investment varies but generally it is between three and seven years.

Actively growing the Investment

Private equity firms will work alongside management teams to support the growth and development of their portfolio companies. To generate investment returns they must sell at a higher price which means the company needs to increase revenues and profits; therefore, the interests of the private equity firms and their investee companies are closely aligned.

Venture capital funds work with founders of high-risk, early-stage companies with significant potential for growth. In turn for injecting capital, venture capital funds receive an ownership stake, giving funds a direct interest in the success of the company. Venture capital has an outsized influence on the economy and society; a relatively small venture investment early in a company's life can help to create a transformational, global company.

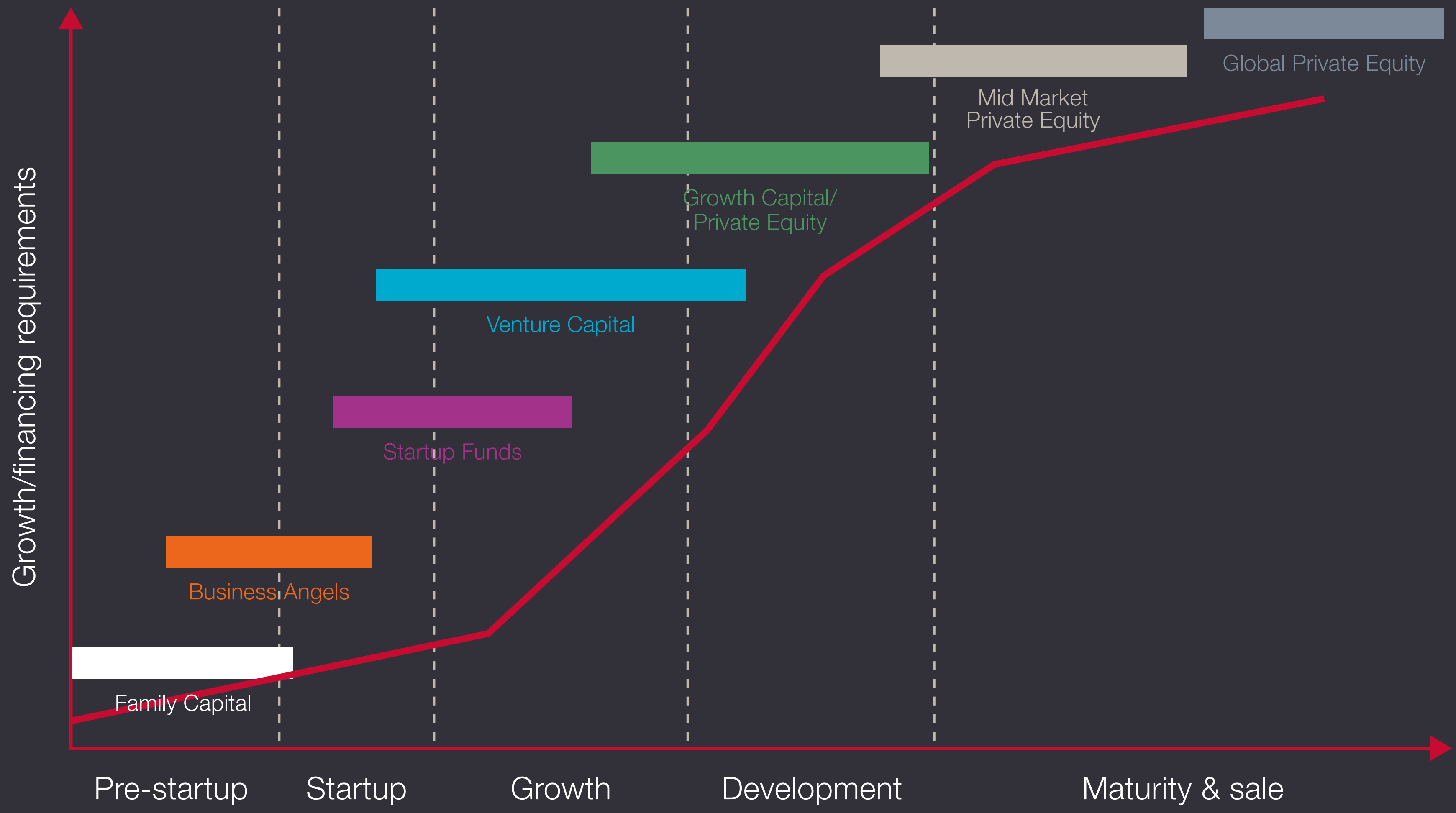
And onto the next stage…

In venture capital this will be the next funding round; and in private equity the next private equity investor in a secondary buyout, until the business is listed on the stock market or sold to large corporate investors.

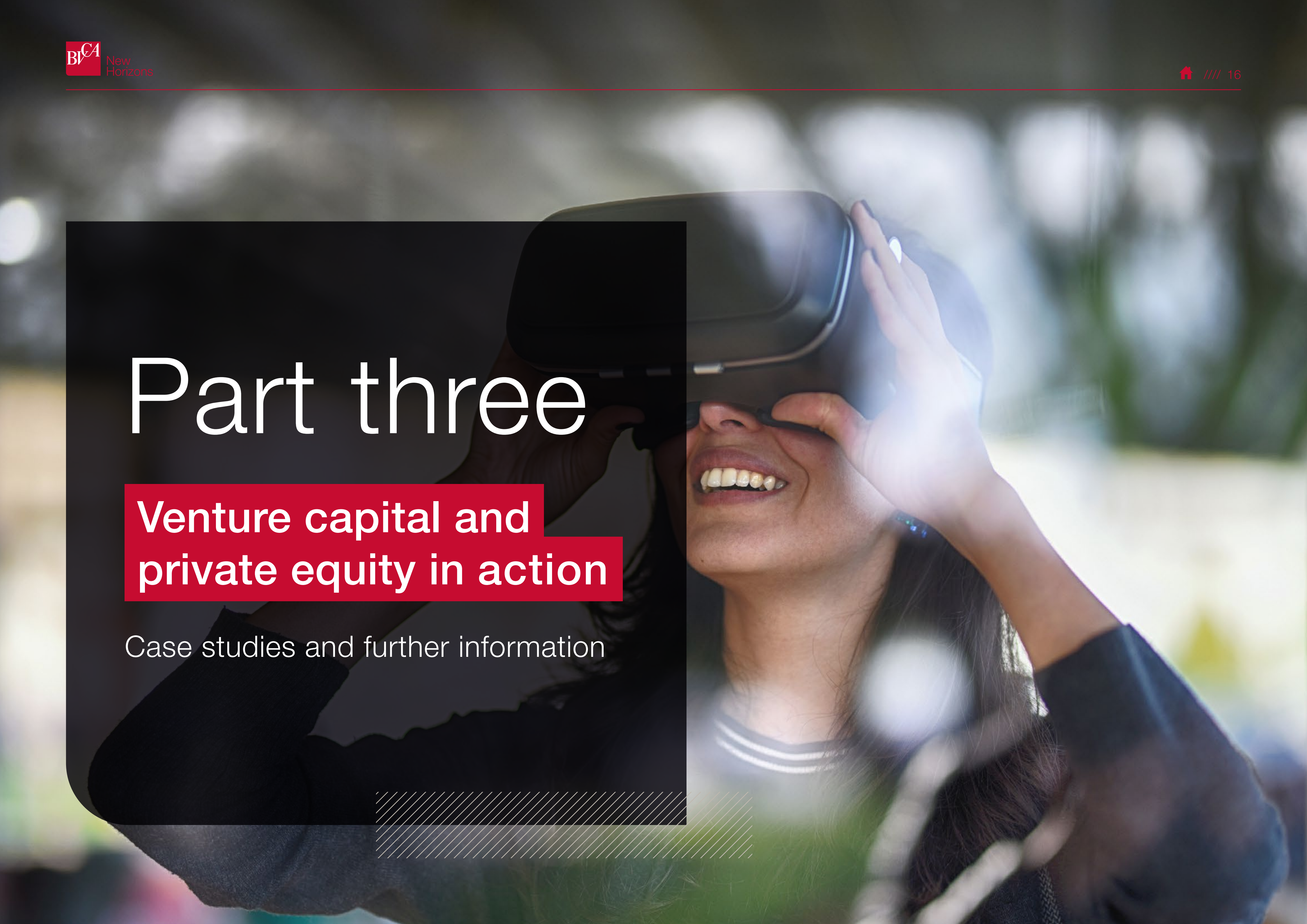
Differences between venture capital and private equity

Venture capital	Private equity
Invests in emerging/high growth industries	Invest in more mature/established businesses
Founders stay in the business – the VC fund invests cash for new shares	Management team takes over the business and founders/investors sell shares. In a secondary buyout investors usually back the same management team
Always private companies	Mainly private but can be public/quoted companies
Minority stake in more companies	Majority/controlling stake in fewer companies per portfolio
VC invests in early stage companies alongside other investors (e.g. angel investors)	PE can invest in public companies and takes them private
Equity only	Mixed funding structure – equity and debt

Company life cycle and investment requirements



This chart is illustrative only – firms in different parts of the industry may operate in more than one part of this investment spectrum, depending on their fund strategies.



Part three

Venture capital and private equity in action

Case studies and further information

Case studies

In this part of the report we highlight case studies which highlight the way the industry operates and how individual businesses create public value. These growth case studies offer insights on how the industry can deliver for each of the public policy priorities.

COVID recovery

- CMR Surgical
  Supported by CIC
- Curve OS Limited
  Supported by Outward VC
- Fishawack Health
  Supported by Bridgepoint
- Gammadelta Therapeutics
  Supported by Abingworth
- Huboo
  Supported by Episode 1
- Lovecrafts Group
  Supported by Highland Europe
- Modulr
  Supported by Frog Capital
- Onfido
  Supported by TempoCap
- Phlexglobal
  Supported by Bridgepoint
- PragmatIC
  Supported by CIC
- Random42
  Supported by Vespa Capital
- Verona Pharma
  Supported by Abingworth

Competitiveness

- ATG
  Supported by ECI Partners
- Concirrus
  Supported by IQ Capital
- Dr. Martens
  Supported by Permira
- HEG (Host Europe Group)
  Supported by Cinven
- Purplebricks
  Supported by DN Capital
- Revolut
  Supported by Seedcamp
- Riverlane
  Supported by CIC
- Shazam
  Supported by DN Capital
- Thought Machine
  Supported by IQ Capital
- TransferWise
  Supported by Seedcamp
- Winterbotham Darby
  Supported by Equistone
- Wireless Logic
  Supported by ECI Partners

Cohesion

- Bollington Wilson Group (Cheshire)
  Supported by Inflexion
- British Engineering Services (Manchester)
  Supported by Inflexion
- Glide (Clevedon)
  Supported by Inflexion
- Merlin Entertainments (Poole)
  Supported by Blackstone
- Moneypenny (Wrexham)
  Supported by ECI Partners
- Neurovalens (Belfast)
  Supported by IQ Capital
- Radius Payment Solutions (Crewe)
  Supported by Inflexion
- SHE Software (East Kilbride)
  Supported by Frog
- Skyscanner (Edinburgh)
  Supported by Scottish Equity Partners
- WEALTH at work (Liverpool)
  Supported by Equistone
- WHP Engineering (Gateshead)
  Supported by Endless

Climate

- ELeather
  Supported by ETF Partners
- Smarter Grid Solutions
  Supported by Scottish Equity Partners
- The Modern Milkman
  Supported by ETF Partners
- UK Power Reserve
  Supported by Inflexion and Equistone
- Vital Energi
  Supported by Scottish Equity Partners
- Willerby
  Supported by Equistone

Growth case study

CMR Surgical

CMR Surgical is on a mission to transform surgery for patients around the world, with innovative technology and data that can improve surgical care. In only six years, CMR has gone from initial concept to Versius, its next-generation surgical robotic system which has been used to perform over 1,000 procedures globally, including in the NHS; the globally accepted benchmark for value-based healthcare. Versius brings all the benefits of keyhole surgery to the patient while providing surgeons with greater dexterity, precision, and better visualisation than manual keyhole surgery, allowing them to perform more complex procedures.

What did the business need?

CIC invested in CMR at the first Series A which was the first institutional round. The company had a great management team, an incredibly strong technology base and huge ambition. The entrepreneurial spirit of the founders had created a dynamic, fast-growing company with a strong internal culture. The company needed additional capital to expand the capabilities in-house and to develop their system prototype.

What lasting value did PE/VC investment bring?

CIC invested in CMR in their Series A and supported the company through investments in the Series A+, Series B and Series C at which point it achieved unicorn status. It has achieved regulatory approval in multiple territories and has commercial operations in 6 countries with over 1,000 clinical procedures conducted with its Versius robotic system to date. The excellence of its system through its versatility and cost-effectiveness, is delivering on the company's ambition to bring the benefits of keyhole surgery to a much wider patient population.

The credit for the progress they have made falls entirely with the founders, management, and dedicated staff. What CIC sought to do alongside its co-investors was bring in a corporate structure that allowed the company to thrive and grow. CIC wanted to create an environment where strategy could be constructively discussed, consensus reached, and decisions implemented without impeding the entrepreneurial spirit that was fundamental to the success of the company. CIC brought on a former surgeon with experience in laparoscopic surgery, who was able to provide informed challenges to the team as they developed their clinical strategy.

Future growth plans

CMR's ambition is to make the benefits of keyhole surgery available to everyone who needs it by building the world's best medical robotic system and making it available at an affordable price.

Sector
Healthcare and Life Sciences

Supported by
Cambridge Innovation Capital

Location
Cambridge

Initial investment date
July 2016

Impact of PE/VC investment

Number of employees
Pre-investment: 49
Latest: 594

"Our success is in no small part thanks to CIC, who has always had the long-term vision to support CMR. Since its initial investment, CIC has continued to support our growth and has shared in our mission to transform surgery, for good."

Per Vegard Nerseth, CEO

Growth case study

Curve OS Limited

Curve consolidates all your banking and loyalty cards into one through its mobile application, providing automated rewards, credit, no FX fees and seamless expense management.

What did the business need?

Curve needed capital to scale growth in new markets, including North America, and to accelerate the development and roll out of new product capabilities (i.e. Curve Credit), while increasing conversion from its current customer base.

What lasting value did PE/VC investment bring?

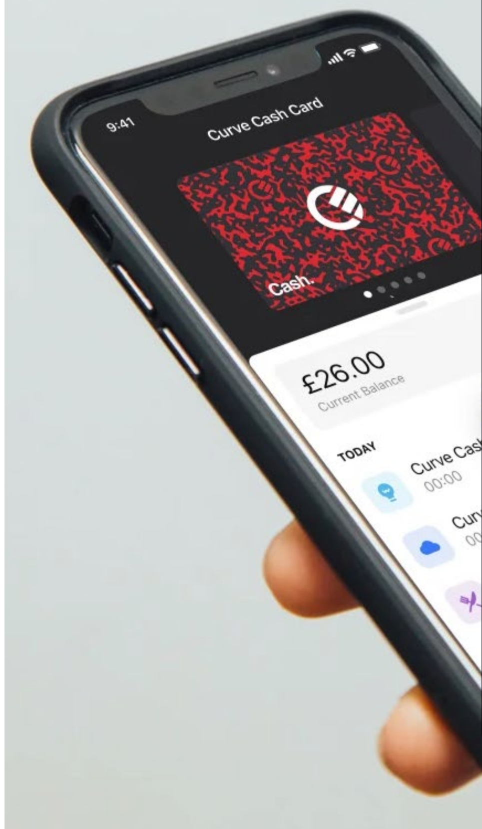
Over the three years since Outward VC's initial investment into Curve, the fund introduced the management team to new partners (such as Alipay and Facebook) and new investors (such as Vulcan and Tazlina Global). Additionally, Outward VC promptly reacted to Curve's migration from Wirecard, providing safeguarding and settlement accounts, alongside other payment solutions, through Investec Bank.

Future growth plans

Going into 2021, Curve's main areas of focus with regards to growth are to increase the number of product features within its app and to roll out its offering into the United States.

"Using [Outward VC's] deep knowledge of how to support early-stage founders, they took a chance on us when others were more sceptical, giving us full and warm access to their network and material advice at cross sections of our journey. It was a potent combination, which helped us shape our vision into reality."

Shachar Bialick, CEO



Sector
Consumer Retail

Supported by
Outward VC

Location
Bristol

Initial investment date
June 2017

Amount invested
£1.2m

Impact of PE/VC investment

Turnover
Pre-investment: £0-1m
Latest: £5-10m (2020)

Number of employees
Pre-investment: 35
Latest: 285 (2020)

Growth case study

Fishawack Health

Fishawack helps pharmaceutical groups bring new products to market through the provision of specialised and value-added services. The business serves more than 100 clients globally and helps to commercialise more than 300 drug compounds.

Founded in 2001, the business has been built up organically and through small add-on acquisitions to become a global player. Today it operates from 14 offices in the US, Europe and India. Fishawack has three principal service lines: Medical Affairs, Commercial Services, and Consulting.

What did the business need?

Fishawack would benefit from further professionalisation and has significant operational improvement potential.

What lasting value did PE/VC investment bring?

Bridgepoint has held the asset for less than 12 months. During this short period, Bridgepoint has already created a clean and simplified organisational structure and successfully recruited a new Chairman.

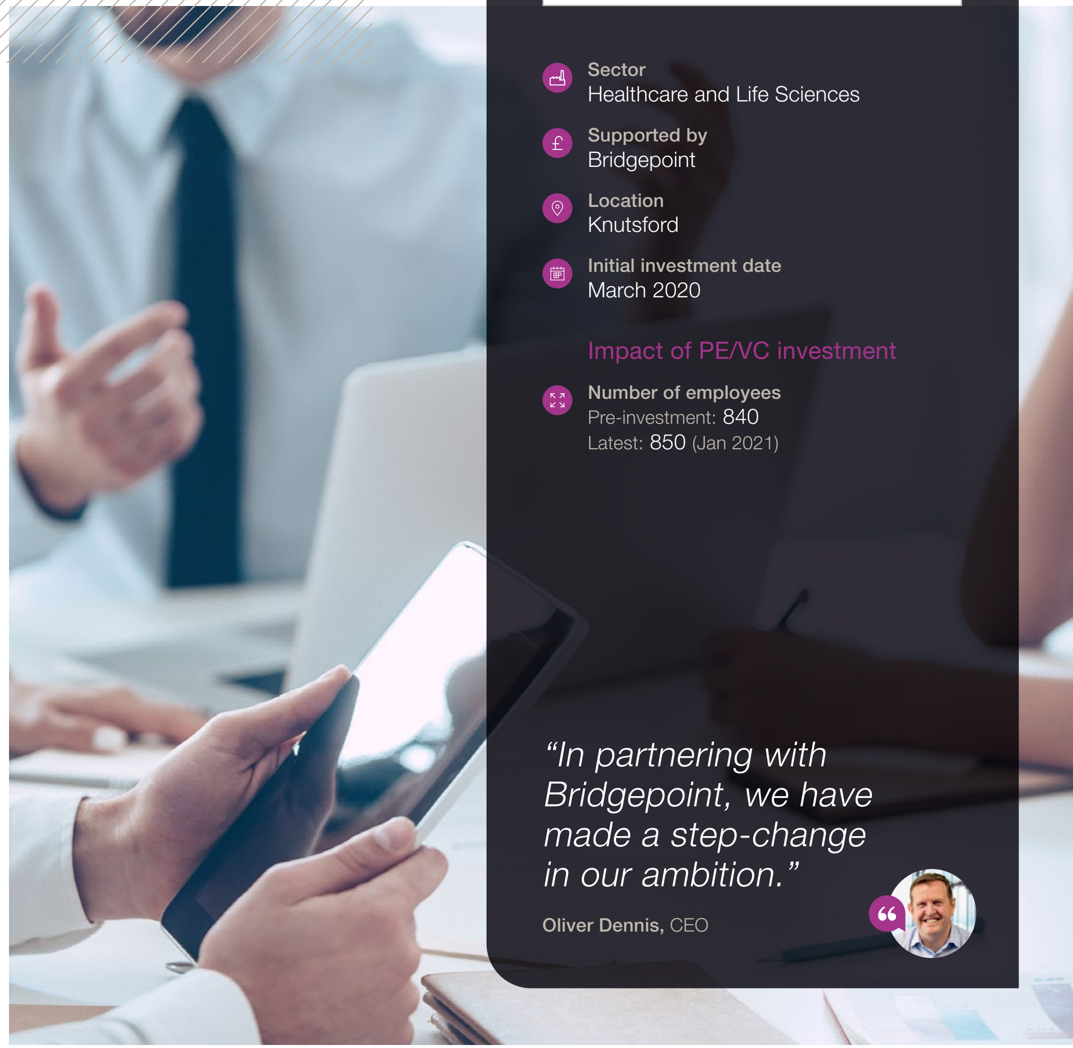
Bridgepoint also kicked off a project to improve Management Information through the rollout of IT systems, which will provide more readily available utilisation data to control costs.

Bridgepoint is enhancing Fishawack's M&A strategy to become more proactive. Under Bridgepoint's ownership, the company has completed two add-on acquisitions: StoneArch, a Minneapolis-based creative agency with a strong reputation in the medical device and health technology sector, and The Hive Health Group, a strategically led healthcare marketing and scientific communications business based in London and New York.

Future growth plans

Bridgepoint's business plan envisages continuing to drive organic growth, margin enhancement, and M&A to add complementary services, broaden Fishawack's customer base, and consolidate the sector.

Fishawack is a robust platform that will be used as the base for a buy and build strategy in the attractive but fragmented pharmaceutical commercialisation services sector. Bridgepoint has identified more than 75 potential targets, from smaller in-fill acquisitions to potentially transformational opportunities, which will help to rapidly build scale.



FISHAWACK HEALTH

Sector
Healthcare and Life Sciences

Supported by
Bridgepoint

Location
Knutsford

Initial investment date
March 2020

Impact of PE/VC investment

Number of employees
Pre-investment: 840
Latest: 850 (Jan 2021)

"In partnering with Bridgepoint, we have made a step-change in our ambition."

Oliver Dennis, CEO

Growth case study

Gammadelta Therapeutics

Gammadelta Therapeutics is developing the potential of gamma delta T cells to create improved immunotherapy of cancer and other serious diseases. Based on the pioneering research of Professor Adrian Hayday at King's College London and the Francis Crick Institute, the company plans to exploit unique properties of tissue resident gamma delta T cells for effective immunotherapy. Takeda Pharmaceuticals has formed a strategic collaboration with GammaDelta and, together with Abingworth, has committed up to $100 million in funding and has an exclusive option to acquire the company for an undisclosed sum.

What did the business need?

Abingworth helped create the company, working with leading academic and world expert, Professor Adrian Hayday, at Kings College. This included negotiating licenses with three institutions and then bringing in Takeda as a key funder and supporter of the company.

What lasting value did PE/VC investment bring?

Abingworth provided the initial seed capital, negotiated the licences from three major institutions, put the board in place, including representation on the board by Abingworth, and helped recruit the management team including Paolo Paoletti, the former head of Oncology at GSK. Abingworth was also instrumental in bringing Takeda into the collaboration.

"The significant advances we have made would not have been possible without access to the company-building expertise and continued financial support of Abingworth. We look forward to continuing this highly productive relationship as we work to realise the transformative potential of the world-leading science of Professor Adrian Hayday and Dr Oliver Nussbaumer that underpins GammaDelta."

Paolo Paoletti, CEO

Future growth plans

The company has the potential to have an enormous impact on the treatment of cancers and as the data is generated, the company will look to its future either as a stand-alone public company or as a UK based entity for a large pharmaceutical company.

GAMMADELTA THERAPEUTICS

Sector
Healthcare and Life Sciences

Supported by
Abingworth

Location
London

Initial investment date
August 2016

"Abingworth's decision to provide the seed finance and operational support needed to create GammaDelta highlights the key role VCs can play in bringing cutting-edge technology from the laboratory into mainstream drug development. We are making significant progress in our mission to deliver highly effective allogeneic immunotherapies based on the unique properties of Vδ1+ T cells, which could provide important patient survival benefits in the treatment of cancers."

Paolo Paoletti, CEO

Growth case study

Huboo

Huboo are a tech-driven multichannel ecommerce fulfilment company. Huboo integrates with online marketplaces such as Ebay, Amazon and many more for free, and securely store, reliably pick and package, and smoothly deliver orders. Their unique software driven approach to fulfillment means that they can serve clients of all shapes and sizes, from the smallest eBay seller to multi-million-pound brands, and their service is far cheaper than any known like-for-like competitor.

Huboo offers two months free storage for each new shipment and has grown substantially since inception. Their expansion roadmap outlines plans to take the company in to mainland Europe and North America by the end of 2021.

What did the business need?

Investor funding was needed for the company to accelerate expansive growth plans, starting nationally in the UK and expanding into mainland Europe and North America later in 2021, creating hundreds of jobs in the process.

The company has been investing in software and people to provide the best customer experience in the industry and challenging the perceptions of fulfillment with their unique human-centric Hub model. The Product Development team has increased significantly in size, as have the front-line Sales & Marketing teams so that the company can continue to scale at pace. Funding from investors has played a central role in their journey so far and our expansion into new territories is testament to that.

What lasting value did PE/VC investment bring?

The continued support from investors has supercharged the company scaling, creating a huge volume of new jobs in what has been a challenging and unprecedented employment environment. This positive impact for the local job market will be replicated as the company grows across the UK, and throughout Europe and North America.

The company has delivered cutting edge, innovative award-winning technology which has fuelled our consistent and significant growth. Due to their success, Huboo have made their first acquisition – an online marketplace – as they focus on diversifying their product and service range.

huboo

Sector
Technology

Supported by
Episode 1

Location
Bristol

Initial investment date
April 2019

Amount invested
£18.5m

Impact of PE/VC investment

Annual turnover
Pre-investment: £0.24m
Latest: £12m

Number of employees
Pre-investment: 2
Latest: 250

"This investment played a crucial role in propelling our growth. It has enabled us to build and continue to build teams of exceptional talent, and curate award-winning technology to disrupt the fulfilment market, resulting in rapid and continued expansion."

Martin Bysh, CEO

Growth case study

Lovecrafts Group

Lovecrafts Group is a leading online crafts community, which lets creative minds find inspiration from leading experts and designers, learn new techniques, connect with like-minded people all over the world, and shop craft supplies. Essentially, it is a mix of content, community, and commerce, and is a complete ecosystem for makers.

What did the business need?

Highland Europe have invested in five rounds at LoveCrafts, from Series B round to Series C rounds, and co-led three internal rounds alongside Scottish Equity Partners and Balderton Capital. The investment was essential to complete several acquisitions, improve operations, recruit new team members, and fuel growth.

What lasting value did PE/VC investment bring?

The investment was key to bring about several significant changes to the business. Firstly, it has enabled the acquisitions of Debbie Bliss, Sew & Sew and most recently Webbs Inc. by December 2020. Excluding the Webbs deal, these acquisitions represent over 20% of total sales. The Webbs transaction is more transformational and makes LoveCrafts the largest online player in the USA, increasing the business scale by over 50%. Secondly, the investment allowed the business operationally to grow: moving into larger warehouse facilities, developing more robust operational warehouse management, and continuing to develop the online presence of the business. Thirdly, they were able to recruit a world class independent Chairperson, Peter Bazalgette and a seasoned CFO who has IPO experience, Marcus Jennings.

Future growth plans

LoveCrafts are looking to list on the London AIM market during 2021 and plan to use the proceeds of the IPO to continue to make strategic acquisitions and fuel their growth. As investors, Highland Europe are not expecting to exit at IPO but see it as another funding round.

Sector
Consumer Retail

Supported by
Highland Europe

Location
London

Initial investment date
July 2015

Impact of PE/VC investment

Number of employees
Pre-investment: 50
Latest: 160

"The investment in Lovecrafts by our syndicate has been essential to grow the business, internationalise and recruit great people."

Edward Griffith, CEO

Growth case study

Modulr

Modulr are an API driven B2B Payments-as-a-Service platform and Electronic Money Institution (EMI) delivering a new type of payment account. Modulr enables businesses to segregate client funds, automate and receive payment flows more efficiently and cheaply than traditional banking.

One of Europe's fastest growing payment platforms, Modulr are working with 100+ clients across multiple channels enabling the growth of some of Europe's most successful businesses including Revolut, Liberis, Paxport and Wagestream.

What did the business need?

Modulr needed a Scale-Up partner with both fintech experience and operational expertise to help scale the business across the UK and Europe. The business would benefit from investors who could provide operational expertise across sales & marketing, leadership & talent, and the finance function, particularly regarding corporate partnership and investment.

What lasting value did PE/VC investment bring?

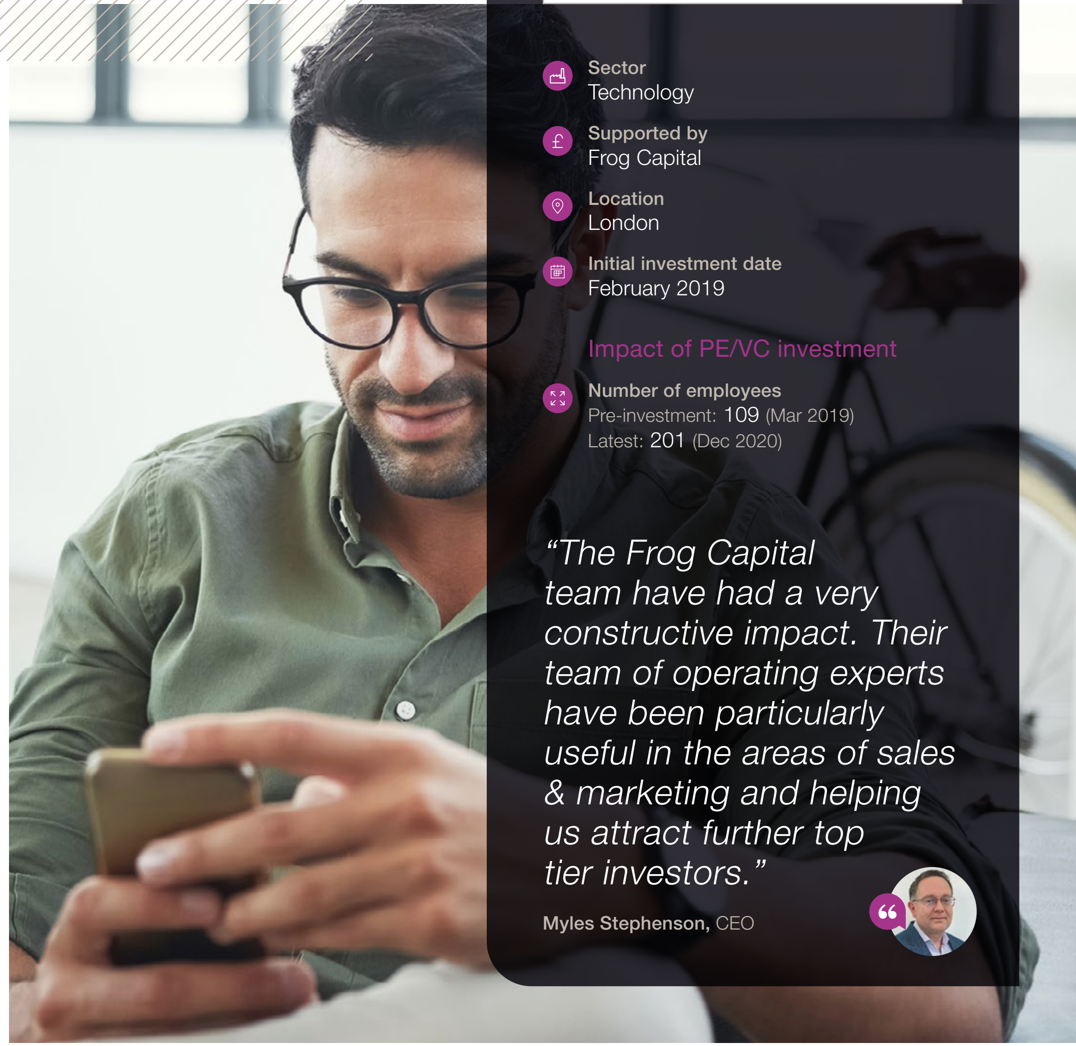
Since Frog Capital's investment in February 2019, Modulr has expanded and grown its business across the UK and Europe. Frog provided support across sales & marketing and talent & organisation functions to drive product development and achieve strong operational growth across the UK.

Frog Capital helped Modulr complete successful investment from key corporate partners and deliver a healthy growth plan across 2020 and into 2021, while winning £10m grant through the 'RBS Alternative Remedies Package' and securing cash headroom through debt facilities, and receiving investment from Highland Europe, PayPal and FIS World-pay.

Modulr has continued to expand and grow their business across the UK and Europe, they have grown >85% and enjoyed 120% revenue growth (2018-20).

Future growth plans

Modulr continue to expand its products and services to existing clients, as well as secure new clients and expand across Europe. Recent investment from PayPal and FIS Wolrdpay, two of the largest global payment companies, is a strong endorsement of Modulr's continued success and will further support their growth ambitions across product development, business development and expansion across Europe.



Sector
Technology

Supported by
Frog Capital

Location
London

Initial investment date
February 2019

Impact of PE/VC investment

Number of employees
Pre-investment: 109 (Mar 2019)
Latest: 201 (Dec 2020)

"The Frog Capital team have had a very constructive impact. Their team of operating experts have been particularly useful in the areas of sales & marketing and helping us attract further top tier investors."

Myles Stephenson, CEO

Growth case study

Onfido

Onfido are setting the new standard for digital access. The company digitally proves a user's identity using artificial intelligence, and facial biometrics. Onfido gives companies the assurance needed to onboard customers remotely and securely.

Recognised as a global leader in AI for identity verification and authentication, Onfido have approximately 400 team members across seven countries, and is enabling digital access for some of the largest companies around the world.

What did the business need?

In their series C round, Onfido needed additional support to implement a growth strategy and accelerate its international presence, with a particular focus on US customer growth. The company also needed funding to facilitate product development, to aid the expansion of the company's machine learning technology, while maintaining its market-leading position in speed and accuracy.

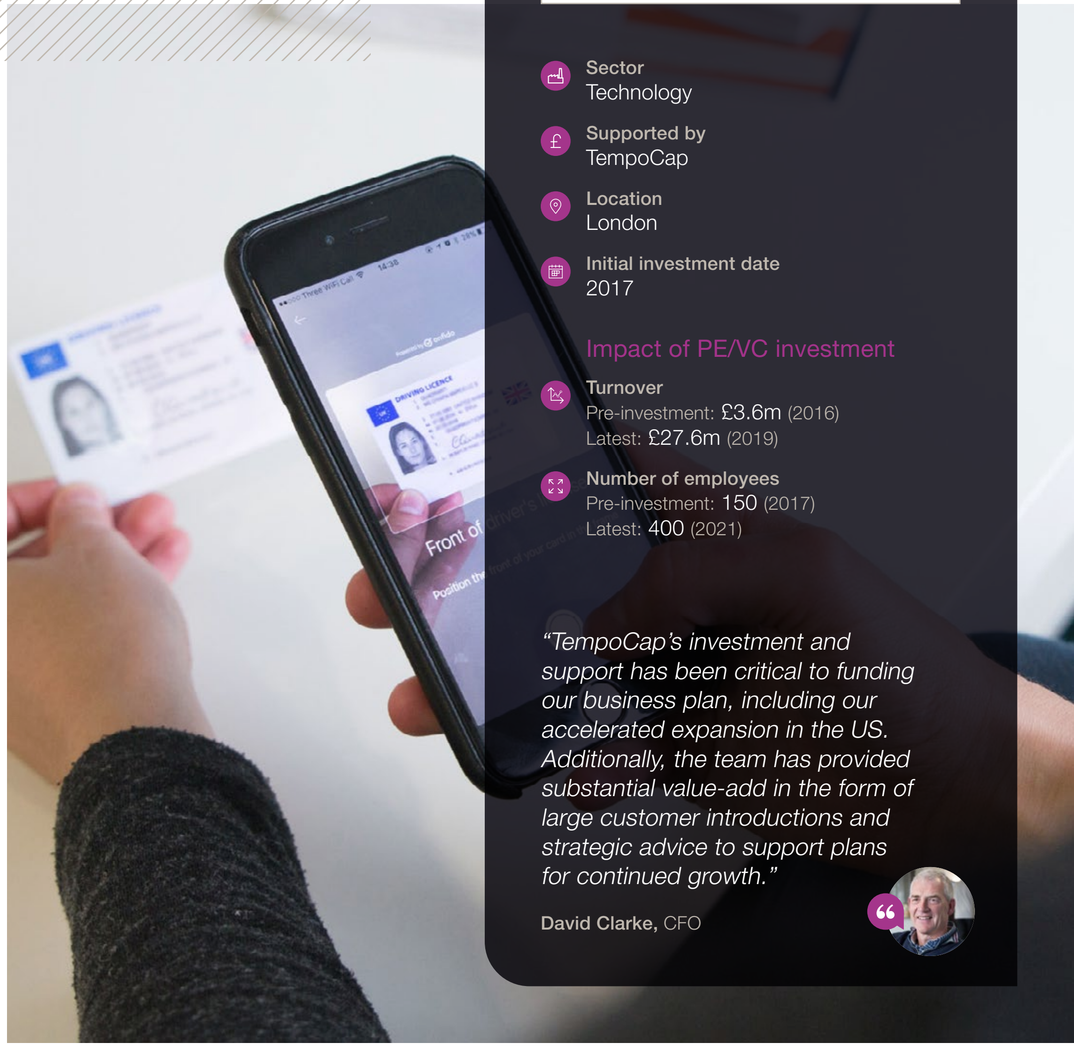
What lasting value did PE/VC investment bring?

TempoCap have provided Onfido with strategic advice regarding the company's growth strategy and valuable customer introductions, both in the U.K. and North America.

TempoCap's investment allowed the company to expand its operations across Europe, through key hires and more established presence in France, as well as build a foothold in Asian markets such as Singapore.

Future growth plans

Onfido maintain a growth strategy focused on accelerating their international presence, expecting their future revenue growth to be driven by the US and EU. The company plans to expand the current product, which is aimed at onboarding new customers for fintechs and banks, to include services focused on 'identity' across the client life cycle. The goal is to manage end-to-end digital identity through services centred on onboarding, reauthentication, password recovery, and fraud mitigation.



onfido

Sector
Technology

Supported by
TempoCap

Location
London

Initial investment date
2017

Impact of PE/VC investment

Turnover
Pre-investment: £3.6m (2016)
Latest: £27.6m (2019)

Number of employees
Pre-investment: 150 (2017)
Latest: 400 (2021)

"TempoCap's investment and support has been critical to funding our business plan, including our accelerated expansion in the US. Additionally, the team has provided substantial value-add in the form of large customer introductions and strategic advice to support plans for continued growth."

David Clarke, CFO

Growth case study

Phlexglobal

Phlexglobal are a specialist provider of Trial Master File ("TMF") software and services to global pharmaceutical companies and clinical research organisations. A TMF is a collection of essential documents created during a clinical trial for regulatory purposes. Phlexglobal offer an end to end solution to cater for all potential TMF needs of its clients, from fully outsourced electronic eTMF software provision with associated document processing services, as well as a range of project related services.

What did the business need?

Phlexglobal needed support in the evolving repositioning of the business from a service led hybrid offering to a technology led hybrid offering. It also needed to preserve the continued growth in overseas territories with a focus on the USA, the world's largest pharmaceuticals market.

It was recognised that the business would benefit from expanding existing relationships with Japanese pharmaceutical customers. Investment in the company's software platform would enable Phlexglobal to take advantage of the opportunity to replicate its service eminence in the eTMF software market.

What lasting value did PE/VC investment bring?

Under Bridgepoint ownership, Phlexglobal implemented greater strategic focus on the development and implementation of technology, and significantly enhanced its software development capability with a 45% increase in R&D investment and the launch of an upgraded eTMF product, which led to client wins in the clinical research outsourcing sector. Phlexglobal transitioned from being a services led TMF business to having a more balanced software and services offering.

Phlexglobal strengthened its business development function and significantly expanded its international presence. As a result, the US accounted for 59% of revenue at exit vs. 34% at entry. Bridgepoint helped Phlexglobal to enter the Japanese market (3rd largest globally at the time).

Bridgepoint also achieved significant operational improvements: EBITDA margins increased by 660bps through the roll-out of a new document processing technology and the creation of a low-cost centre in Poland (with Bridgepoint's Warsaw office playing an important role in choosing an appropriate location).

What did the investment achieve?

Bridgepoint bought Phlexglobal for £42m at an EV/EBITDA multiple of 9.1x in 2014, and 2.5 years later, sold the business for £116m at 13.5x EV/EBITDA. The significant valuation multiple re-rating is evidence of the transformation of the company from a project-led TMF services provider to a fully outsourced provider of electronic TMF (eTMF) solutions.

PHLEXGLOBAL

Sector
Healthcare and Life Sciences

Supported by
Bridgepoint

Location
Amersham

Initial investment date
July 2014

Amount invested
€28.2m

Impact of PE/VC investment

Turnover
Pre-investment: £15.4m
Post-investment: £23.9m (Dec 2016)

"We have enjoyed significant growth under Bridgepoint Development Capital's ownership, extended our customer and operational base and relaunched PhlexEview, our eTMF platform."

Rick Riegel, former CEO

Growth case study

PragmatIC

PragmatIC is a world leader in ultra-low-cost flexible electronics. Their flexible integrated circuits (FlexICs) are thinner than a human hair and can be invisibly embedded in objects, enabling innovators to create novel solutions to everyday problems that are not practical with conventional electronics. FlexICs are manufactured on a revolutionary FlexLogIC® production system, a scalable manufacturing model for cost-effective high-volume production. FlexIC Foundry™ service is a service, is a less time intensive, and cheaper service for developing application-specific flexible devices.

What did the business need?

PragmatIC needed funding to support its transition from Research & Development to pilot production. The company had already demonstrated a viable fabrication process for their FlexICs, but the business needed investment to support their development of FlexLogIC®, a scalable, self-contained and fully automated production system.

PragmatIC also needed support to expand their product development and commercial activities, to prove the technical achievability and strong demand for the ability to give everyday items a unique electronic identity, through FlexIC-based radio frequency identification (RFID). This would extend the Internet of Things to the Internet of Everything.

What lasting value did PE/VC investment bring?

Cambridge Innovation Capital's understanding, strategic input, and continued investment support throughout the evolution of the business has made them a reliable partner for PragmatIC for more than six years. Under the guidance of CIC, the potential for PragmatIC's technology in RFID, attracted investment from Avery Dennison, the world's largest RFID inlay manufacturer, which led to the complete installation and commissioning of the first FlexLogIC production system in 2018.

In 2019, PragmatIC formally launched its ConnectIC® RFID product line, securing orders for over 20M units from global companies eager to add connectivity and intelligence to their everyday items. Later that year the company announced their FlexIC Foundry™.

Future growth plans

PragmatIC's vision is to embed their technology in a trillion smart objects over the coming decade. FlexLogIC, makes innovative electronic solutions readily accessible to businesses of all sizes across a diverse range of industries. The company plans to expand and deploy a global network of 100 FlexLogIC lines, geographically placed for efficient manufacturing and delivery.

FlexIC-based RFID is already being adopted in multiple market segments addressing worldwide challenges, including healthcare (NHS), pharma (Schreiner MediPharm), waste management (UK Government) and sustainability.

Sector
Technology

Supported by
Cambridge Innovation Capital

Location
Cambridge

Initial investment date
December 2014

Impact of PE/VC investment

Number of employees
Pre-investment: 12
Latest: 85

"CIC has been a vital partner for our business during the development, installation and commissioning of our first FlexLogIC system and launch of our first commercial products. Their understanding of deep tech companies has allowed them to support us effectively on this journey."

Scott White, CEO

Growth case study

Random42

Random42 are the global market leader in the creation of scientifically accurate medical animations. These animations, and other digital marketing services, are primarily used as educational and/or marketing tools by premium healthcare clients.

The company's multimedia visualisations serve as both a promotional and educational tool by delivering highly engaging and sophisticated digital imagery to demonstrate the ways in which drugs mediate their effects within the body.

What did the business need?

Random42 needed support in in transitioning from a proprietorial ownership structure This included developing the appropriate governance frameworks, managing the founder's transition, CEO mentorship, and developing key management functions like finance and sales.

What lasting value did PE/VC investment bring?

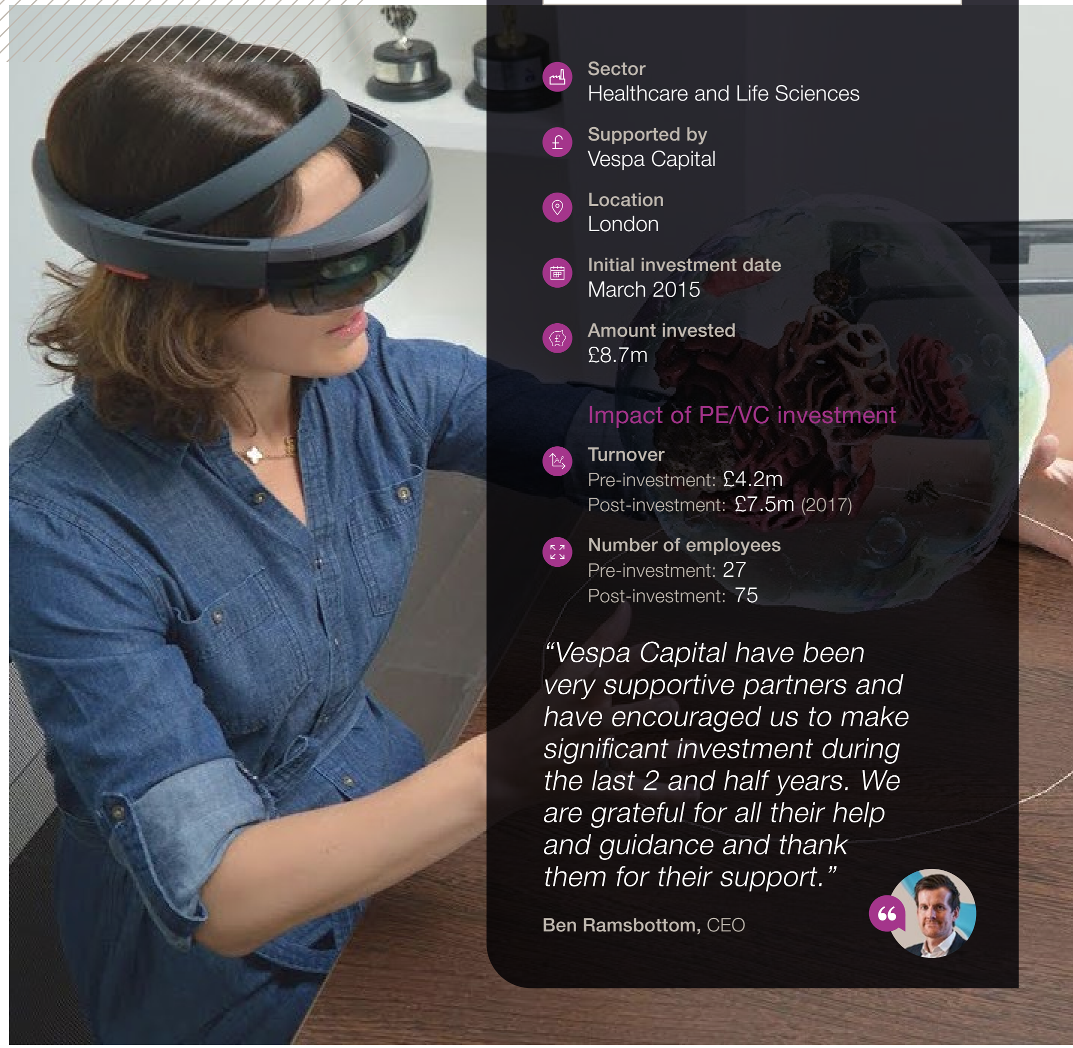
As the first institutional investor, Vespa Capital provided support in developing key management functions including reorganising the sales and marketing function into a coherent product-oriented model, helped recruiting a new finance director and upgrading the financial reporting functions.

Vespa Capital supported ongoing investment in technology to ensure Random42 used the best digital technologies in the market and helped penetrate adjacent markets including biotech, nutraceuticals, over-the-counter medicines and medical devices.

Random42 maintains a strong recruitment process and company culture by recruiting high calibre candidates and retaining valuable employees.

What did the investment achieve?

Random42 has continued to grow its presence internationally and is still recognised as a leader in its field. In 2018, members of the Random42 team travelled to Japan as part of a 50-strong trade delegation to showcase the UK's excellence in health science.



RANDOM42 scientific communication

Sector
Healthcare and Life Sciences

Supported by
Vespa Capital

Location
London

Initial investment date
March 2015

Amount invested
£8.7m

Impact of PE/VC investment

Turnover
Pre-investment: £4.2m
Post-investment: £7.5m (2017)

Number of employees
Pre-investment: 27
Post-investment: 75

"Vespa Capital have been very supportive partners and have encouraged us to make significant investment during the last 2 and half years. We are grateful for all their help and guidance and thank them for their support."

Ben Ramsbottom, CEO

Growth case study

Verona Pharma

Verona Pharma is developing a first-in-class therapeutic to treat respiratory diseases. The inhaled dual phosphodiesterase PDE3/PDE4 inhibitor with both bronchodilator and anti-inflammatory properties is in clinical trials for chronic obstructive pulmonary disease (COPD). Verona Pharma is a VIPE (Venture Investment in Public Equity) and is listed on the NASDAQ exchange.

What did the business need?

Abingworth invested when the company was in preliminary Phase 2 studies and listed on Alternative Investment Market (AIM). Since their investment, the company has completed multiple Phase 2 clinical trials, extensively upgraded its management team, listed on NASDAQ, delisted from AIM, completed additional rounds of financing, and commenced its Phase 3 pivotal clinical trial programme.

The company has now met it's funding needs following a recent $200m capital raise on NASDAQ. It is now is in Phase 3 study in COPD and we would expect considerable value to be created on the release of positive Phase 3 data.

What lasting value did PE/VC investment bring?

Abingworth has been active in strategic positioning of the company including outreach to potential strategic and financial partners. It has also been actively involved in financing events and through its board representation, as well as the extensive change in the management team (new CEO, CFO, CMO and multiple support hires).

"Abingworth's support has been critical to Verona's successful development over the last five years. They were early to spot the unique characteristics of ensifentrine and its potential to transform the treatment of patients with COPD. They have backed this unwavering belief in Verona financially and with the expertise we have needed to become a successful biotech company listed on Nasdaq."

David Zaccardelli, CEO

Future growth plans

Verona Pharma is in Phase 3 study in COPD and we would expect considerable value to be created on the release of positive Phase 3 data.

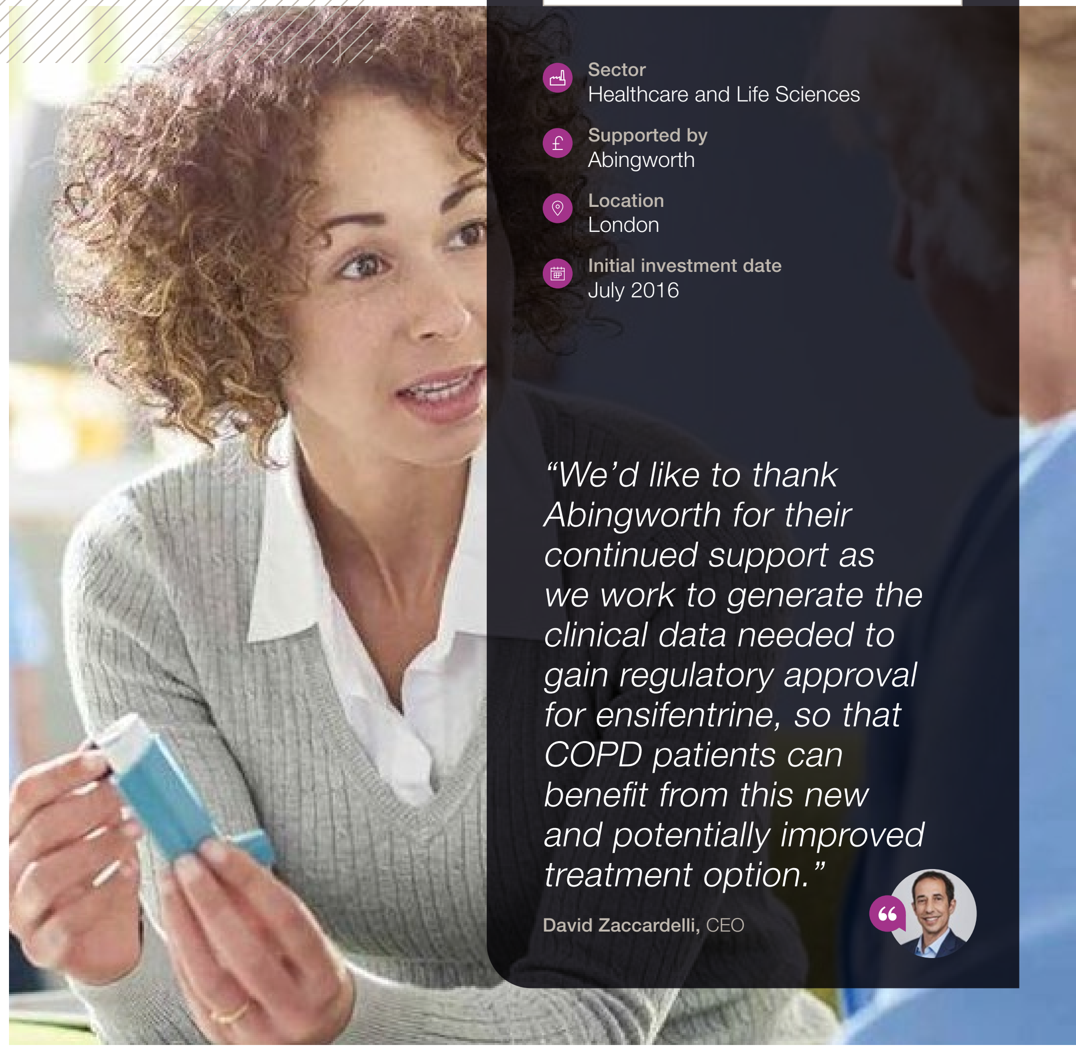
Verona Pharma

Sector
Healthcare and Life Sciences

Supported by
Abingworth

Location
London

Initial investment date
July 2016



"We'd like to thank Abingworth for their continued support as we work to generate the clinical data needed to gain regulatory approval for ensifentrine, so that COPD patients can benefit from this new and potentially improved treatment option."

David Zaccardelli, CEO

Competitiveness case study

ATG

ATG is a global pioneer of webcast and timed online auction platforms. It operates the-saleroom.com, i-bidder.com, BidSpotter.co.uk and BidSpotter.com websites, as well as publishing the antiques industry bible, the Antiques Trade Gazette.

ATG's platforms allows bidders from around the world to browse fully illustrated sales catalogues and place bids over the internet in real time, with live audio and video feeds delivering the auction room atmosphere. Bidders are also able to participate in timed, online only auctions.

What did the business need?

When ECI Partners invested in ATG it was a publishing driven organisation predominantly focused on the UK arts and antiques market. ECI supported the repositioning of ATG to a leading global digital marketplace. Today it provides online auction platforms to more than 1,600 auctioneers globally across multiple verticals (Art & Antiques, Industrial & Commercial, and Consumer Retail Returns). ATG now has international offices in Hamburg, Seattle and Omaha with over 140 employees. ATG's technology platform powers live and timed auctions bringing the online buying community over seven million lots each year.

What lasting value did PE/VC investment bring?

ECI instigated the sale of ATG's declining print management division early on, and supported both the international growth and the development of ATG's technology, including modularising the architecture, implementing the latest generation real time video streaming, and upgrading several user experiences. ECI also drove the international expansion of the business by making two acquisitions – European leadership in the arts & Antiques vertical.

Employment figures grew as the business scaled globally, but the company focused on hiring tech roles as the business transitioned. Fewer than 10% of the workforce were in tech at entry, with 1/3 of staff working in tech by exit. ECI drove the transition to tech, introducing new, tech native leadership in the form of John-Paul Savant (formerly of Paypal) and then supporting him in finding, selecting and onboarding senior leaders with pedigree from businesses such as Vodafone and Matches Fashion. ECI also instituted a rebranding to Auction Technology Group to aid with this repositioning.

What did the investment achieve?

The operational improvements driven by ECI resulted in the business being sold to TA Associates in February 2020, generating a 3.7x money multiple.

atg AUCTION TECHNOLOGY GROUP

Sector
Technology

Supported by
ECI Partners

Location
London

Initial investment date
2014

Impact of PE/VC investment

Number of employees
Pre-investment: 97
Post-investment: 140

"We've had a really good relationship with ECI over these years, both in terms of thought partnership and execution. When you're a small business, you sometimes can't hire in all the expertise you'd like, and ECI provided a lot of real, raw horsepower into the business at different points in time that was incredibly valuable to what we were doing."

John-Paul Savant, CEO

Competitiveness case study

Concirrus

Concirrus is a leading Insurtech specialising in transforming the future of risk selection, pricing, and claims using the latest developments in data analytics, AI, machine learning, and digitalisation. Concirrus' intelligence platform Quest, helps organisations improve loss ratios, reduce operational expense, and access increased deal sizes and new trading relationships. By capturing and understanding customer behaviour and delivering data-rich insights at scale, underwriting teams are empowered to make rapid data-driven decisions. Over 20 market-leading companies trust Concirrus' technology to power their risk making decisions.

What lasting value did PE/VC investment bring?

The investment has enabled Concirrus to develop their innovative Quest Marine platform, building out the functionality to deliver increased value to the insurance market. They have also launched Quest Automotive to support risk management and mitigation for the automotive fleet insurance market.

This has helped to scale the business effectively to more than 100 employees, driven international expansion into Europe and Asia, and helped grow the client base to more than 20 leading industry names.

Andy Yeoman was named the second most influential person in marine insurance in 2019 by Lloyd's List. The first time an Insurtech leader has made it onto the list. Concirrus was recognised as one of the top 10 global Insurtech firms of 2020 by Insurance Post.

Future growth plans

Concirrus' future expansion plans are to further develop the core platform capabilities to ensure existing clients can unlock ongoing value through commercial and operational excellence. This will also build on the existing client base within marine, cargo and automotive.

They will also expand into new commercial specialty insurance business lines. Concirrus launched its Quest Marine Cargo platform in 2020 and will be focusing on building out third-party datasets to drive new insights into risk, and developing increased functionality to transform the cargo insurance market in 2021.

Concirrus will also be expanding internationally, Quest is now available in Europe, Asia and America. Concirrus announced the expansion of its commercial offering into Asia in January 2021.

"We've established Concirrus as the category leader and created nearly 100-jobs requiring contemporary skills such as data analytics, machine learning and AI. Additionally, our tools and products serve to re-skill what's been a very traditional insurance market."

Andy Yeoman, CEO

Sector
Technology

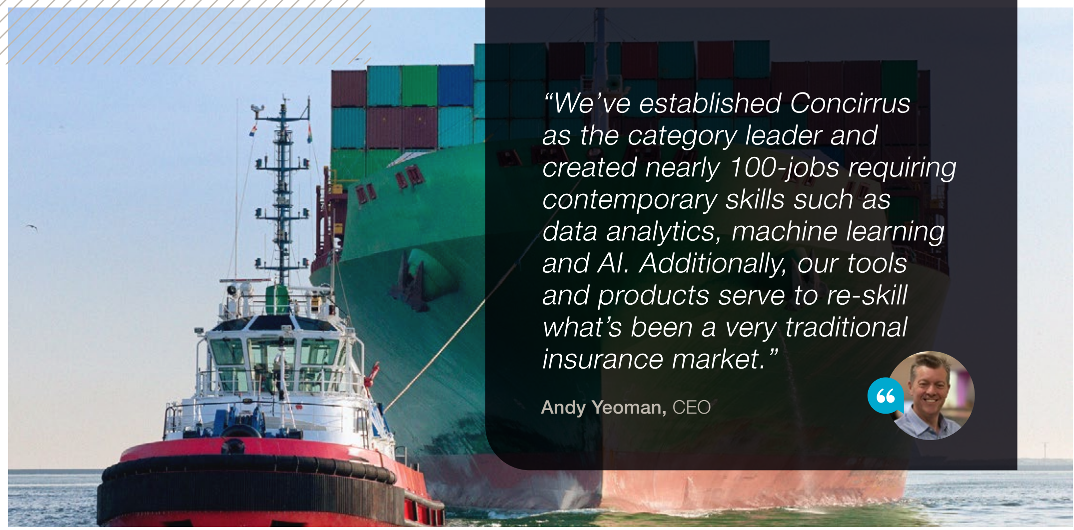
Supported by
IQ Capital

Location
London

Initial investment date
September 2018

Impact of PE/VC investment

Number of employees
Pre-investment: 25
Latest: 100 (2021)



"We've established Concirrus as the category leader and created nearly 100-jobs requiring contemporary skills such as data analytics, machine learning and AI. Additionally, our tools and products serve to re-skill what's been a very traditional insurance market."

Andy Yeoman, CEO

Competitiveness case study

Dr. Martens

Dr. Martens is an iconic global brand and one of the most recognised footwear brands in the world, selling in excess of 11 million pairs of footwear annually in more than 60 countries. The brand has empowered rebellious self-expression for over 60 years.

What did the business need?

In simple terms Dr. Martens needed professionalising at the same time as introducing a consumer-first brand-oriented mindset and culture to the business. In practical terms, this meant hiring managers from big global brands, investing in systems and processes, introducing rigorous financial controls. Many areas required a strategic refresh, including greater investment in digital talent and capability, strategic management of key wholesale channels, greater focus on the core brand and retail execution, supply chain diversification, and improved internal oversight.

What lasting value did PE/VC investment bring?

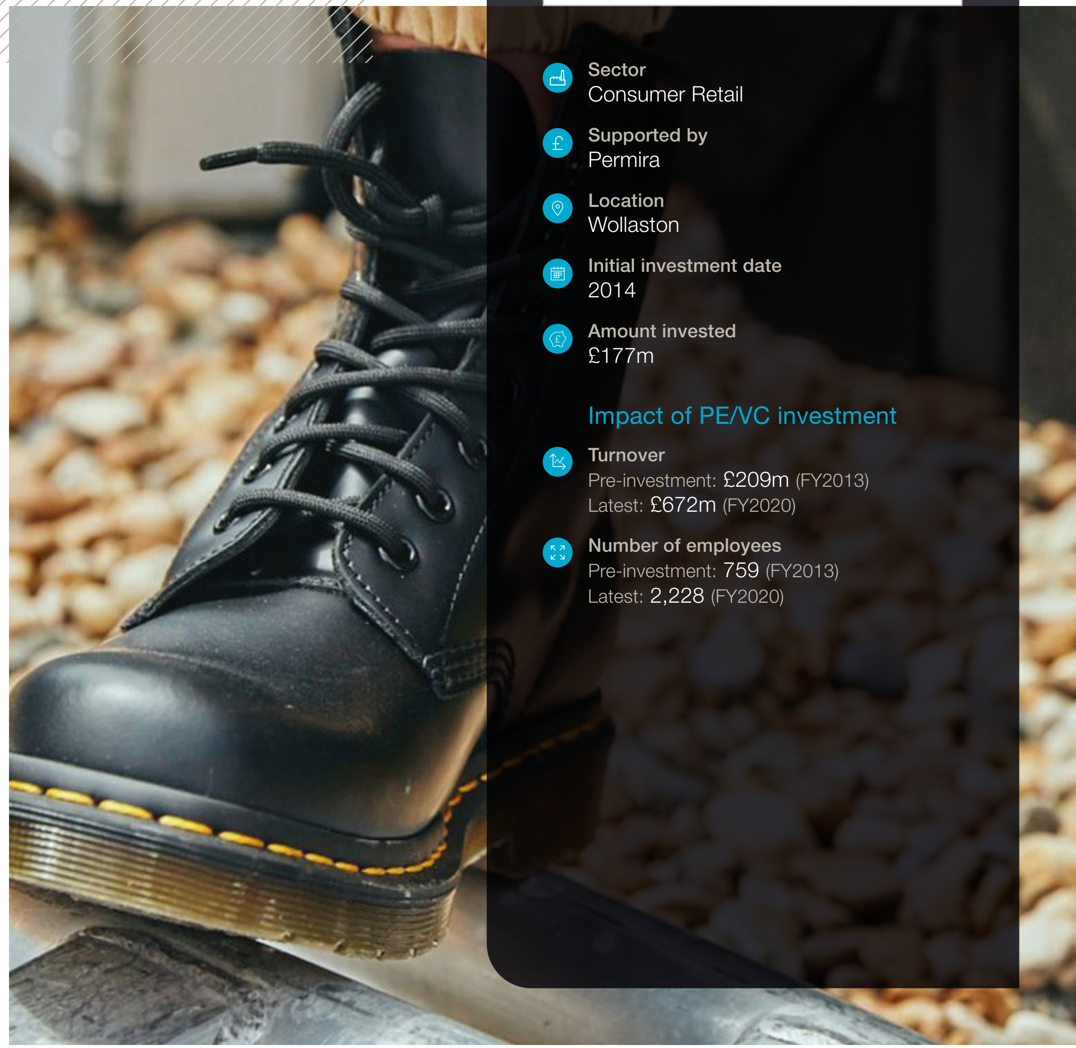
Throughout the investment Permira adopted a custodian mindset, ensuring financial discipline and a strategic culture across the firm. They hired world-class talent in the company who can leverage the robust backbone the firm now has to drive continued growth.

Future growth plans

The future is bright for Dr. Martens and Permira sees many years of growth ahead as the business continues to reach its full potential.

“The successful transformation of Dr. Martens was only possible because of the great partnership we had with Permira who supported and guided the strategy over the past seven years. I’m very grateful to them for their continued support as we grow the brand further around the world.”

Kenny Wilson, CEO



Sector
Consumer Retail

Supported by
Permira

Location
Wollaston

Initial investment date
2014

Amount invested
£177m

Impact of PE/VC investment

Turnover
Pre-investment: £209m (FY2013)
Latest: £672m (FY2020)

Number of employees
Pre-investment: 759 (FY2013)
Latest: 2,228 (FY2020)

Competitiveness case study

HEG (Host Europe Group)

HEG was a leading European provider of hosting and domain services to consumers and small and medium enterprises. It offered an end-to-end product suite including domain services, application hosting, cloud hosting and managed hosting. It also had an emerging software-as-a-service (SaaS) offering.

HEG had a strong market presence in the UK and Germany, with a smaller presence in Austria, Switzerland and Spain. Its well-recognised brands included 123-reg, Heart Internet and Host Europe.

What did the business need?

Cinven acquired the core business within HEG in August 2013 for an original consideration of £438 million. The transaction marked the first platform acquisition of an overall consolidation strategy, originated by Cinven's TMT team who had identified web services as an attractive and fragmented market. HEG was well positioned within the segment given its brand name, technical infrastructure and management. In terms of lasting value, Cinven also invested significantly in the IT systems of the business.

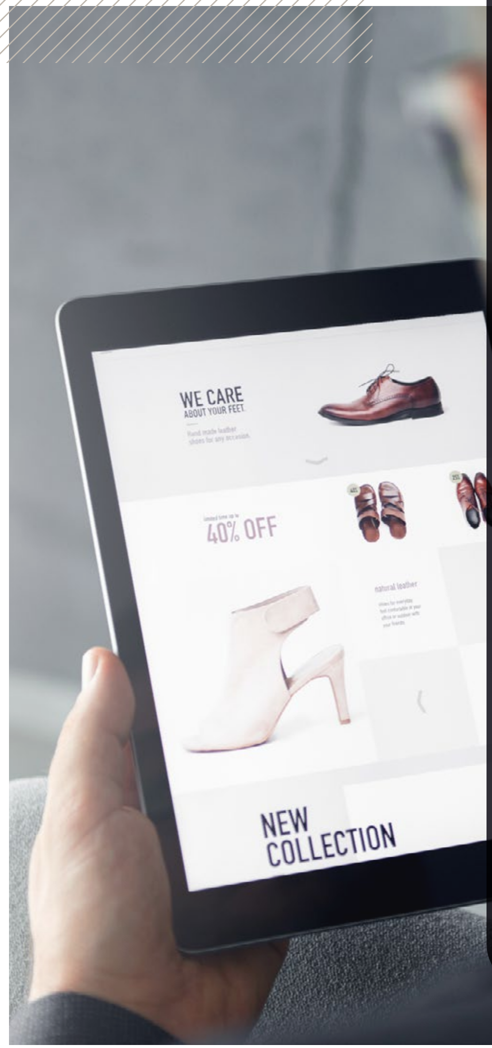
What lasting value did PE/VC investment bring?

Cinven implemented a successful buy and build strategy including four significant acquisitions – Telefonica Online Services, Domainfactory, Intergenia and Paragon – and a number of additional smaller acquisitions including eight in the first half of 2016. It also helped consolidate the HEG businesses to six primary brands from more than 20 deals completed since the company was founded.

From a personnel perspective, they invested in HEG's management team including the promotion of Patrick Pulvermüller from COO to CEO and the appointment of new divisional CEOs. This helped HEG's organisational structure to function as an integrated group with clear focus on its two core business divisions.

What did the investment achieve?

In December 2016, Cinven sold HEG to GoDaddy, the world's largest cloud platform dedicated to small, independent ventures.



HEG

Sector
Technology

Supported by
Cinven

Location
London

Initial investment date
2013

Impact of PE/VC investment

Turnover
Pre-investment: c. €136m (FY2013)
Post-investment: €321m (FY2016)

Number of employees
Pre-investment: c. 700 (2013)
Post-investment: 1,225 (2016)

"It has been a pleasure working with Cinven – across its Investment, Portfolio and Capital Markets teams. They have helped reshape our organisation for significant growth and worked closely with our management team on evaluating add-on acquisition targets as part of our buy and build strategy."

Patrick Pulvermüller, Group CEO

Competitiveness case study

Purplebricks

Purplebricks is a leading online UK real estate portal. The company revolutionised the real estate space by combining local knowledge with convenient online technology.

What lasting value did PE/VC investment bring?

DN Capital provided support and guidance through the seed round, bringing in early seed investors and supporting the product development by making introductions to key strategic partners with experience in property portals and real estate information.

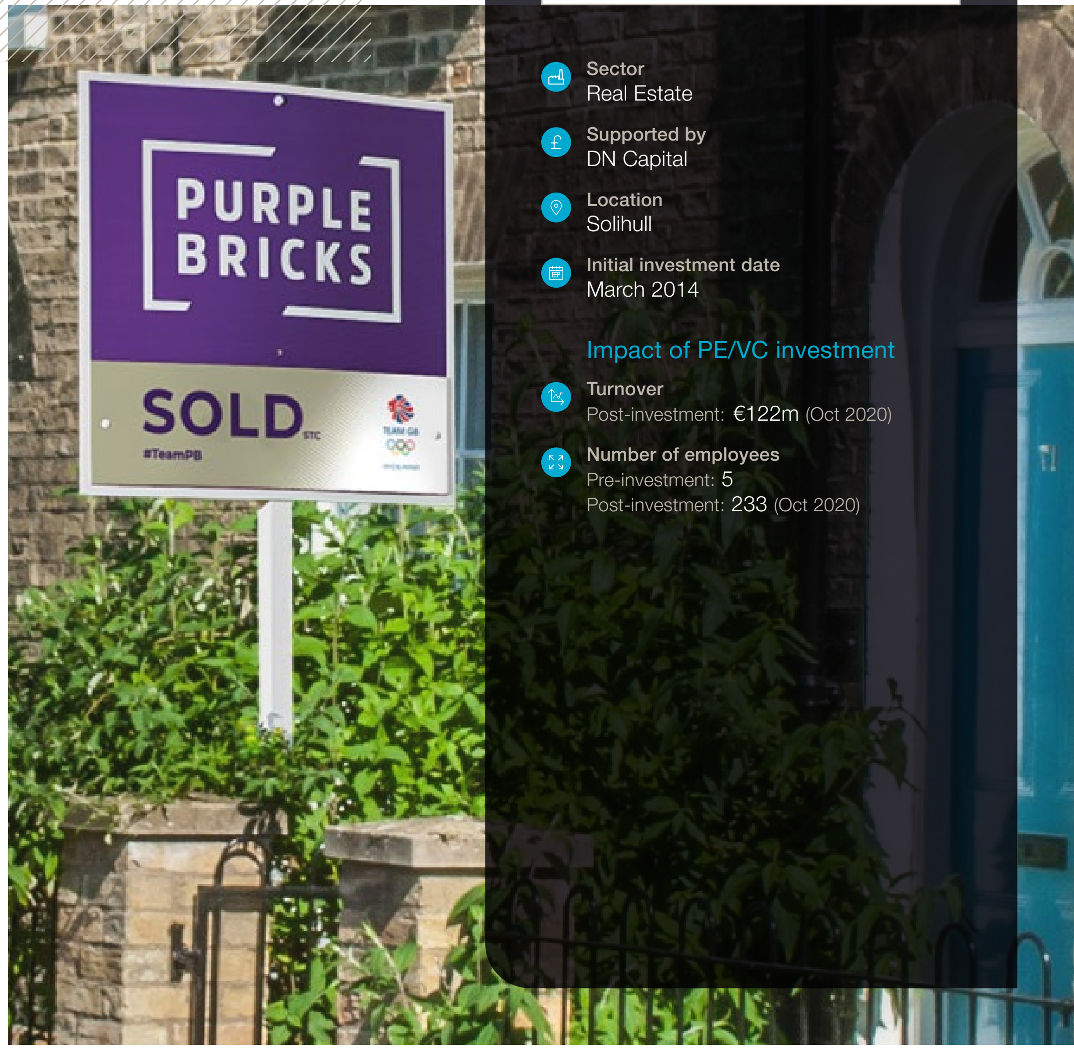
DN Capital oversaw and supported the company through various changes including the appointment of a new Chairman, Nick Discombe, and the IPO process.

What did the investment achieve?

In 2014, DN Capital led the seed round as the sole Venture Capital on the capital table. Two years later, Purplebricks went public and became the UK market leader in online estate agency achieving a £1.0 billion market cap. DN Capital sold its position via IPO and achieved a 6x multiple overall and 18x their initial investment.

"DN Capital was a valuable partner and shared in that early vision to invest in scaling our disruptive business model across the UK. The team were anxious to give help and support where appropriate whilst promoting and complementing the strategic vision of those in whom they invested."

Michael Bruce, Founder



Sector
Real Estate

Supported by
DN Capital

Location
Solihull

Initial investment date
March 2014

Impact of PE/VC investment

Turnover
Post-investment: €122m (Oct 2020)

Number of employees
Pre-investment: 5
Post-investment: 233 (Oct 2020)

Competitiveness case study

Revolut

Revolut is a British Fintech company offering both personal and business Banking services. In 2015, Revolut launched in the UK offering money transfer and exchange. Today, their customers around the world use dozens of Revolut's innovative products to make more than 100 million transactions a month. Across personal and business accounts, they help customers improve their financial health, give them more control, and connect people seamlessly across the world.

What did the business need?

Revolut needed funding to support early-stage product development and marketing tools to attract future investment.

What lasting value did PE/VC investment bring?

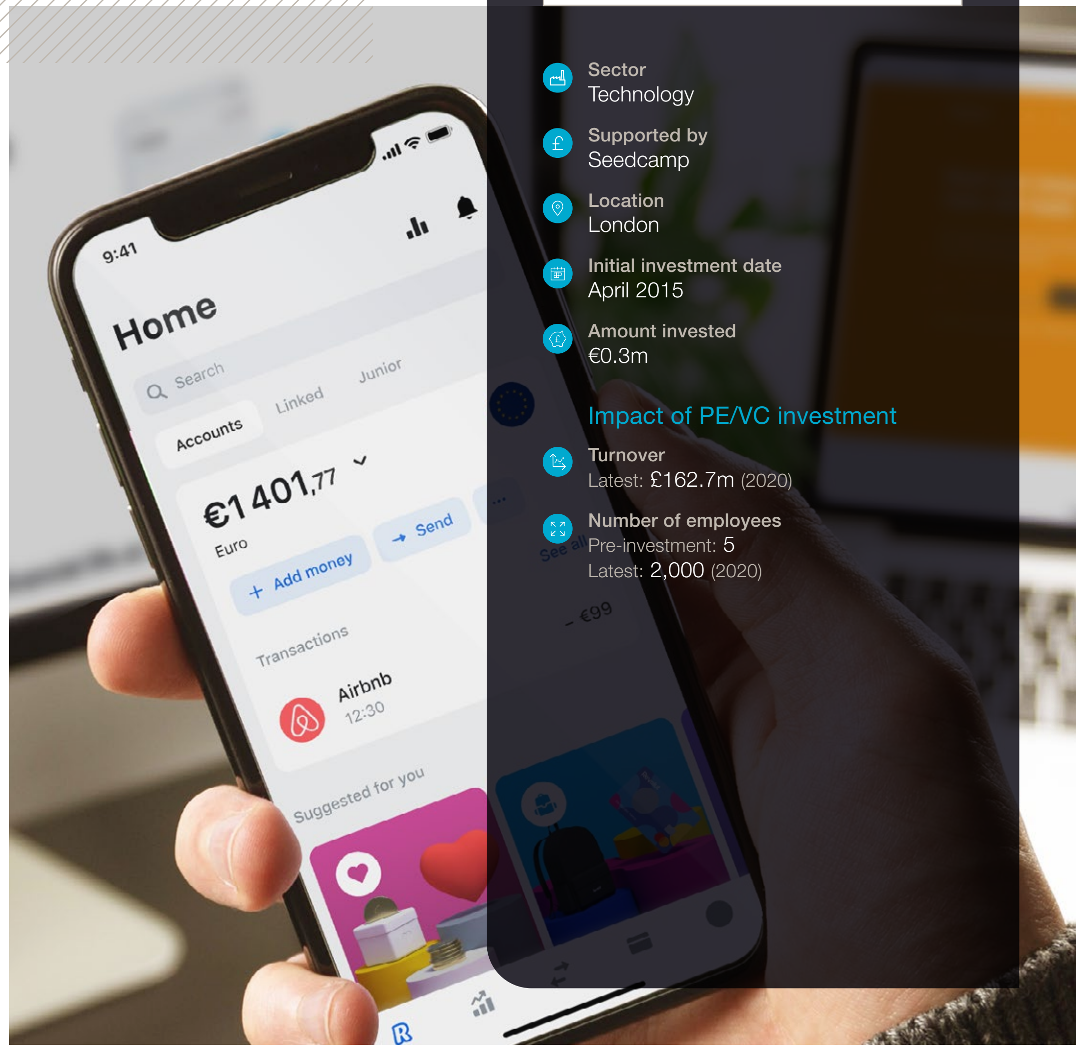
Seedcamp provided marketing and product development support and arranged introductions their lead investors, Venrex and some high-profile Angel investors.

Future growth plans

Revolut's ambitious growth plans include a vision to be a financial platform of all financial services under one umbrella for their customers.

"Seedcamp was an instrumental player in helping Revolut grow from a small-time startup into a global banking alternative. Two short years later, and we're one of the fastest growing fintech firms in Europe, have three international offices and a team of over 150 people. Hungry founders with ambitious plans should begin their journey with Seedcamp."

Nikolay Storonsky,
Founder & CEO



Revolut

Sector
Technology

Supported by
Seedcamp

Location
London

Initial investment date
April 2015

Amount invested
€0.3m

Impact of PE/VC investment

Turnover
Latest: £162.7m (2020)

Number of employees
Pre-investment: 5
Latest: 2,000 (2020)

Competitiveness case study

Riverlane

Riverlane builds ground-breaking software to unleash the power of quantum computers. Their operating system, Deltaflow, supports a range of quantum hardware platforms, including superconducting and trapped ion qubits.

What did the business need?

Riverlane is building the operating system for quantum computers. (This is about as deep tech as it gets.) Riverlane needed an investor who could understand what they wanted to achieve and its significance at a time when quantum computing was not on the radar of many investors. The business needed an investor with experience in building deep tech companies who could advise them in the early formative years, and they needed capital to build the engineering team and hire key executives.

What lasting value did PE/VC investment bring?

Cambridge Innovation Capital's (CIC) investment allowed the company to accelerate their mission and grow their team from four to 23 people. Riverlane attracted talent from all over the world, increasing the size of their engineering team and appointing the COO and Chief Product Officer positions.

Riverlane has developed Deltaflow, the operating system for quantum, and released an MVP in November 2020. CIC's venture capital investment progressed the development, which helped position Riverlane as a leader in Europe in quantum software. They led and won a flagship UK quantum computing £7.4M project to install Deltaflow on every UK quantum computer, and built a strong base with UK quantum hardware companies and enterprise customers, providing the foundation for global expansion.

Future growth plans

Recently, Riverlane closed a £15m Series A round, including £3.70m from CIC, allowing the company to continue its rapid growth plan. This includes, doubling their size in the next year, further growing their engineering and product teams, and expanding business development and marketing functions. Deltaflow means the quantum ecosystem can thrive, and the possibility of global expansion.

river lane

Sector
Technology

Supported by
Cambridge Innovation Capital

Location
Cambridge

Initial investment date
April 2019

Impact of PE/VC investment

Number of employees
Pre-investment: 4
Latest: 23

"The next year is all about increasing the footprint of Deltaflow to capitalise on our first mover advantage. We are in this strong position today because CIC invested at the right time. Every quantum computer needs an operating system – it makes the technology useful. As the quantum computing market takes off, we've built a decisive product and have the firepower to bring it to the world."

Steve Brierley, Founder and CEO

Competitiveness case study

Shazam

Shazam is a Global leader in audio discovery (music + TV) with over 100 million monthly active users. Shazam identifies songs based on an audio fingerprint on a time-frequency graph called a spectrogram. It uses a smartphone or computer's built-in microphone to gather a brief sample of audio being played. Shazam stores a catalogue of audio fingerprints in a database. The user tags a song for 10 seconds and the application creates an audio fingerprint. Shazam works by analysing the captured sound and seeking a match based on an acoustic fingerprint in a database of millions of songs. If it finds a match, it sends information such as the artist, song title, and album back to the user.

What lasting value did PE/VC investment bring?

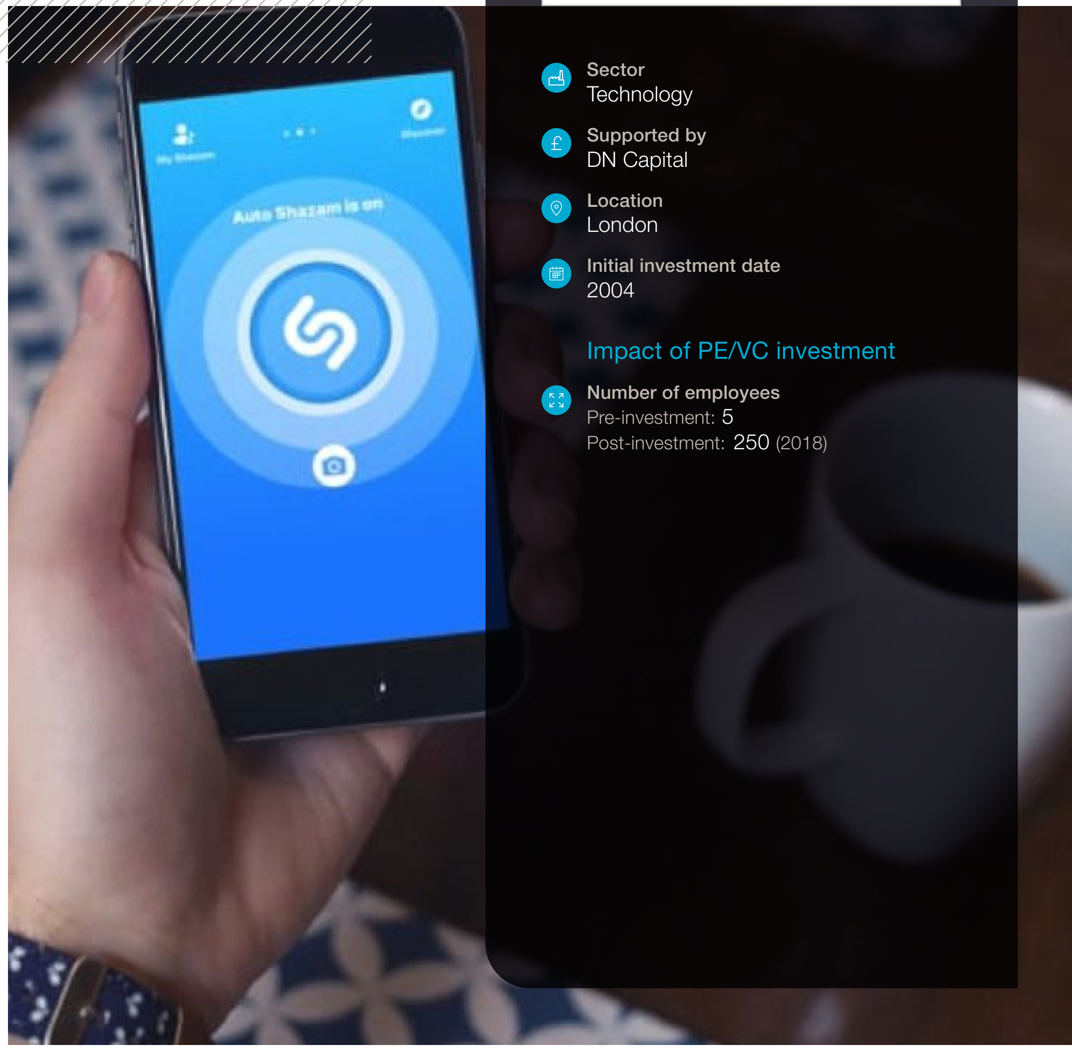
Through its own network, DN Capital helped build the management team and Board including the CEO, VPs, CFO, CPO and CMO. DN initiated Shazam's expansion to the US and introduced the company to key customers including Verizon, AT&T and, most importantly, Apple, which changed the company's evolution. Shazam was acquired by Apple in 2018 for $350m.

What did the investment achieve?

Shazam has become an iconic company. DN Capital invested into a restructuring round in 2004, and quickly became very involved in building the team, as well as the go-to-market strategy of the company. It is important to note that the first 5-10 years, more than half the senior management team came from direct DN introductions as well as many of its clients, including Apple. DN Capital's return on this deal was 20x on their first investment.

"The Team at DN Capital have added significant value in many aspects of the business, whether that be assisting in building the Senior Management Team by sourcing candidates through their extensive network or validating strategy and supporting corporate development initiatives through their industry knowledge and expertise."

Andrew Fisher,
Executive Chairman



SHAZAM

Sector
Technology

Supported by
DN Capital

Location
London

Initial investment date
2004

Impact of PE/VC investment

Number of employees
Pre-investment: 5
Post-investment: 250 (2018)

Competitiveness case study

Thought Machine

Thought Machine was founded in 2014 to enable banks to deploy modern systems and move away from legacy IT platforms that plague the banking industry. Thought Machine does this through its cloud native core banking platform, Vault. This engine has been written from scratch entirely for the cloud.

What did the business need?

In 2016, Thought Machine was building out its core banking engine, Vault. Thought Machine drew on its experience working at leading technology companies and applied those engineering principles to the way Vault was built.

Initial cash investment served as validation that Thought Machine were on the right track. The company hired more engineers and further refined the product.

This series A round, with investment from the UK's biggest bank, was the catalyst for growing the team even further, and beginning the process to secure the next set of clients.

What lasting value did PE/VC investment bring?

Early investors, board members and capital injection gave Thought Machine the kickstart it needed as the company started to enter the market. Advice from investors was critical in shaping the product, pricing, and go-to-market strategy.

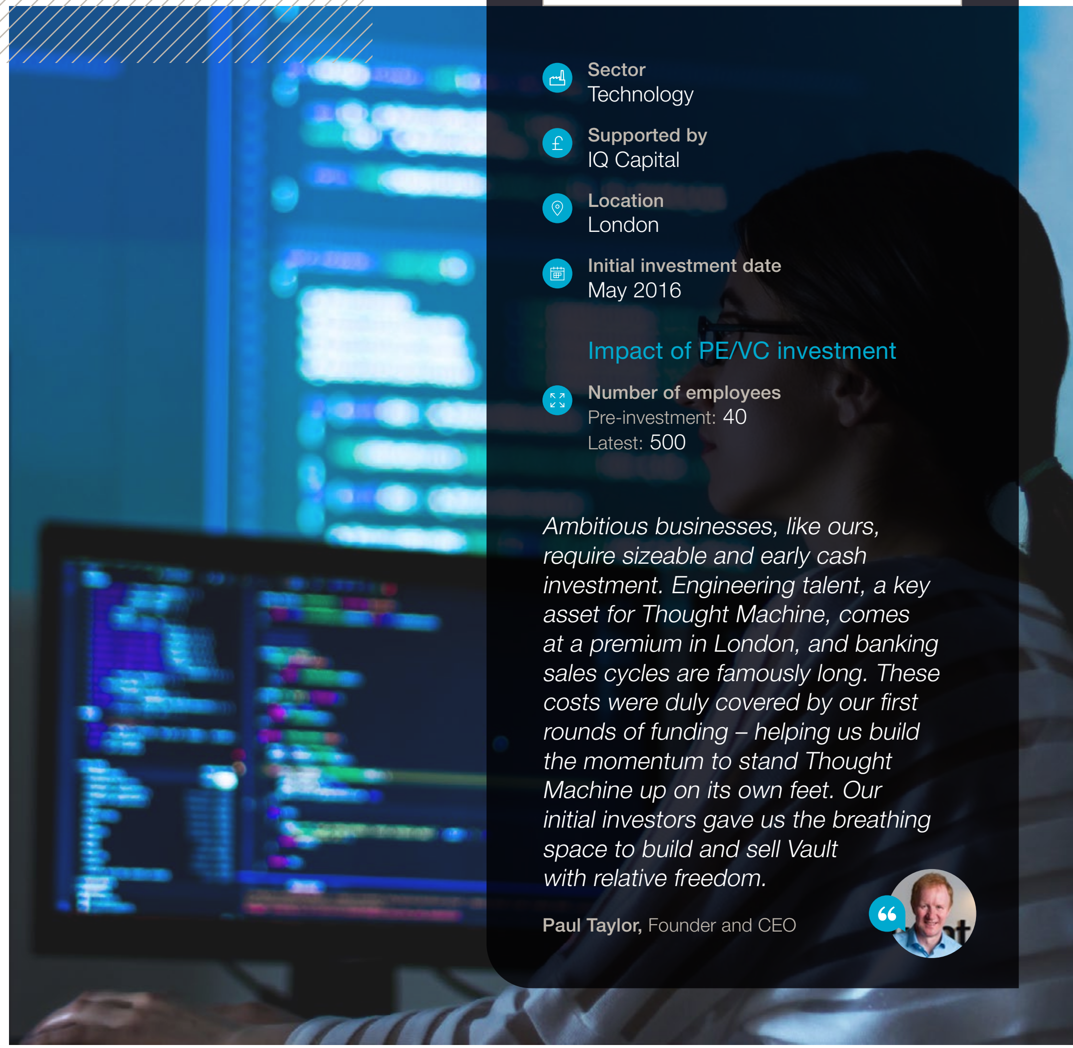
Thought Machine refined the way it positioned Vault, actively targeting the biggest banks in the world and the largest addressable market. The company dropped plans to take Vault in different directions – which would have distracted it from this end goal.

Thought Machine incorporated investors' advice on optimising hiring strategy, ensuring that it was selecting the best possible candidates to build Vault.

Future growth plans

The vision for Thought Machine remains the same from its earliest days – Vault will be the core banking engine which powers the biggest, most capitalised banks around the world.

This means significant efforts have been taken to make Vault operational for tier one banks. Thought Machine is committed to refining the product, and shaping its internal processes in accordance with the strict requirements of multinational banks. This has led to Standard Chartered selecting Vault for its digital bank in Hong Kong – and for Lloyds Banking Group to go live on Vault.



Sector
Technology

Supported by
IQ Capital

Location
London

Initial investment date
May 2016

Impact of PE/VC investment

Number of employees
Pre-investment: 40
Latest: 500

Ambitious businesses, like ours, require sizeable and early cash investment. Engineering talent, a key asset for Thought Machine, comes at a premium in London, and banking sales cycles are famously long. These costs were duly covered by our first rounds of funding – helping us build the momentum to stand Thought Machine up on its own feet. Our initial investors gave us the breathing space to build and sell Vault with relative freedom.

Paul Taylor, Founder and CEO

Competitiveness case study

TransferWise (now 'Wise')

TransferWise enables international money transfers – allowing private individuals and businesses to send money abroad without hidden charges.

What did the business need?

The business was pre-product launch and in its earliest days had a founding team that was in development across UK and Europe, with either location becoming a HQ.

Additionally, the big banks were still learning how to work with startups and disruptors, like Transferwise, so it was important to understand building on their platforms.

What lasting value did PE/VC investment bring?

Seedcamp worked very closely with the founders during the critical first days to help with team development and connecting into the UK ecosystem to make the UK the clear choice to set up the HQ. Transferwise is one of the biggest banner stories for UK tech.

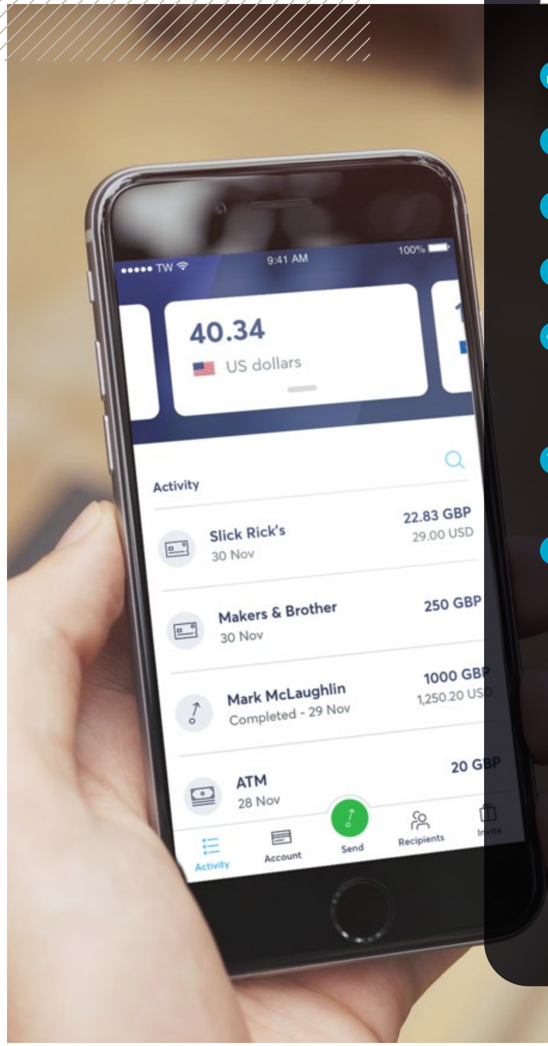
Seedcamp significantly assisted with further rounds after the companies pre- seed round, and particularly bridge building with the US trip, where the Company met with a16z (its first US institutional VC) and other VCs.

What did the investment achieve?

Seedcamp sold majority of its interest. The sale of its TransferWise assets has returned 500% of capital back to its Angels and Funds. Seedcamp also invested heavily in Transferwise staff who left and started their own businesses.

"Seedcamp was an invaluable stepping stone for TransferWise and provided us with the foundations to build the company we are today. From a team of two, we're now 650+ people in nine offices across the world - and we're just getting started. For any startup looking to build something truly awesome, Seedcamp is the place to start."

Kristo Käärmann,
Founder & CEO



TransferWise

Sector
Technology

Supported by
Seedcamp

Location
London

Initial investment date
August 2011

Amount invested
$0.2m

Impact of PE/VC investment

Turnover
Pre-investment: 0
Post-investment: £302m (2020)

Number of employees
Pre-investment: 4
Post-investment: 2,200 (2020)

Competitiveness case study

Winterbotham Darby

Winterbotham Darby is a leading supplier of chilled foods to UK supermarket chains and one of the UK's most dynamic chilled food businesses, with a leading position in continental foods (including olives, antipasti and charcuterie) and a fast-growing plant-based operation. The Winterbotham Darby supply chain is underpinned by a sustainable business approach that includes a commitment to high environmental, ethical and technical standards.

What did the business need?

Winterbotham Darby needed significant and sustained investment to both drive efficiencies and achieve the consistent growth required for success in the highly competitive chilled foods sector. Winterbotham Darby investing in partnerships and achieving scale quickly was of paramount importance.

The business also needed to keep pace with the ever-shifting consumer trends that define the sector. The company's long-standing background of growth in supplying provenance-rich continental food, and in particular meat, appeared to face long term questions given an increasingly environmentally and health-conscious consumer base, focussed on managing meat consumption. A renewed focus on product development and innovation was needed.

What lasting value did PE/VC investment bring?

Equistone supported Winterbotham Darby's transformation into a dynamic market leader. Consistent investment in improving supplier networks, product ranges, and manufacturing facilities provided a strong platform from which to expand, while the bolt-on acquisitions of Alatoni and Vadasz added scale to sustain further growth.

From the outset, Equistone pursued a highly flexible business model, placing emphasis on innovation and speed to market. The company identified the vast potential of the meat-free sector, and, with Equistone's support, quickly developed a market-leading product range in the fermented foods and plant-based segments. Equistone also supported investment focussed on driving ESG in a number of areas.

Future growth plans

The sale of the business to PAI in November 2020 generated a successful 2x return, a result which reflected Equistone's success in turning Winterbotham Darby into a dynamic player within the chilled foods sector.

Following the completion of the sale, Winterbotham Darby will form part of a new UK chilled food platform, alongside Addo Food Group, while remaining operationally independent. The decision taken by PAI to retain Steven Higginson as CEO, alongside the rest of the management team, reflected the significant investment that Equistone had placed in creating a highly effective management structure and the long-term focus which defined the firm's ownership of the company.

Equistone ultimately helped create a robust, modern business, well equipped to deal with the challenges posed by a famously ruthless sector.

WINTERBOTHAMDARBY

Sector
Food and Agriculture

Supported by
Equistone

Location
Redhill

Initial investment date
December 2012

Impact of PE/VC investment

Number of employees
Pre-investment: 255
Post-investment: 450

"We enjoyed a very successful partnership with Equistone, who supported us to significantly enhance our presence within the UK grocery market and establish Winterbotham Darby within a number of new, fast-growing chilled food segments."

Steve Higginson, CEO

Competitiveness case study

Wireless Logic

Wireless Logic is Europe's leading IoT connectivity platform provider, working with application providers, systems integrators, and enterprises to connect, control and secure the Internet of Things. Wireless Logic has pioneered the IoT connectivity market since 2000 and is now leading its future as a global solution provider and market leader in the ever-changing world of connectivity.

What did the business need?

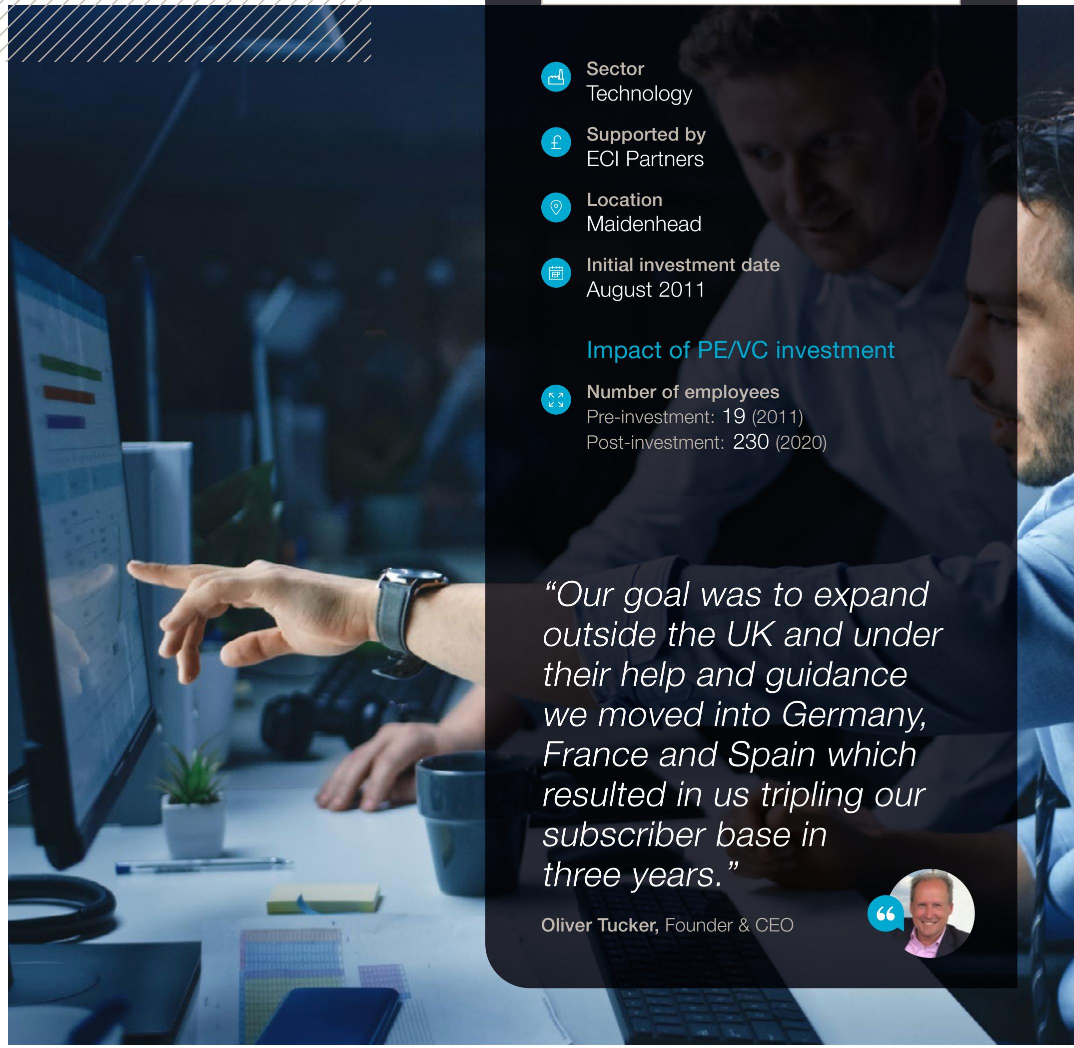
ECI Partners invested to enable the founding management team to buy the business back from Phones International Group, and to create a scalable platform for organic growth. ECI's investment allowed Wireless Logic to invest in its people, recruiting a Chairman, CFO and CTO, and more than doubling headcount during its investment. ECI also supported investment in partnerships, infrastructure, and software development, deepening its position as the leading platform provider, with significantly improved data and management information to support growth. It also funded the business' entry into 3 European markets which were loss making for a number of years. Wireless Logic developed a highly scalable platform, becoming the leading European provider during investment.

What lasting value did PE/VC investment bring?

ECI supported Wireless Logic to develop and deliver a European organic expansion strategy, and the management team opened offices in France, Germany and Spain during its investment, becoming the leading independent operator in the European market. ECI's investment enabled the entrepreneurial management team to flourish in a challenging but supportive environment. Management's ongoing investment and ownership of the business gave the founders and the wider management team significant and incremental motivation to grow the business. This focus and drive has led to the creation of a world leading, £1bn international technology business, headquartered in the UK.

Future growth plans

Wireless Logic was sold in 2015 at multiple of 6.1x ECI's original investment and a 68% IRR. The business has now gone through two further private equity investments, which has cemented its position as the major European player in IoT connectivity. It has gone on to complete 10 strategic and international acquisitions, enabling other private vendors to generate capital which would have otherwise been unlikely. ECI's backed CEO and Founder, Oliver Tucker, is still the CEO of the business.



wireless logic

Sector
Technology

Supported by
ECI Partners

Location
Maidenhead

Initial investment date
August 2011

Impact of PE/VC investment

Number of employees
Pre-investment: 19 (2011)
Post-investment: 230 (2020)

"Our goal was to expand outside the UK and under their help and guidance we moved into Germany, France and Spain which resulted in us tripling our subscriber base in three years."

Oliver Tucker, Founder & CEO

Cohesion case study

Bollington Wilson Group

The **Bollington Wilson Group** is one of the UK's leading independent insurance brokers, successfully operating from six offices and employing in excess of 400 people. The Group now places in excess of £190m annual gross written premium across the UK and operating over 40 delegated authority schemes and boasting 160,000 clients.

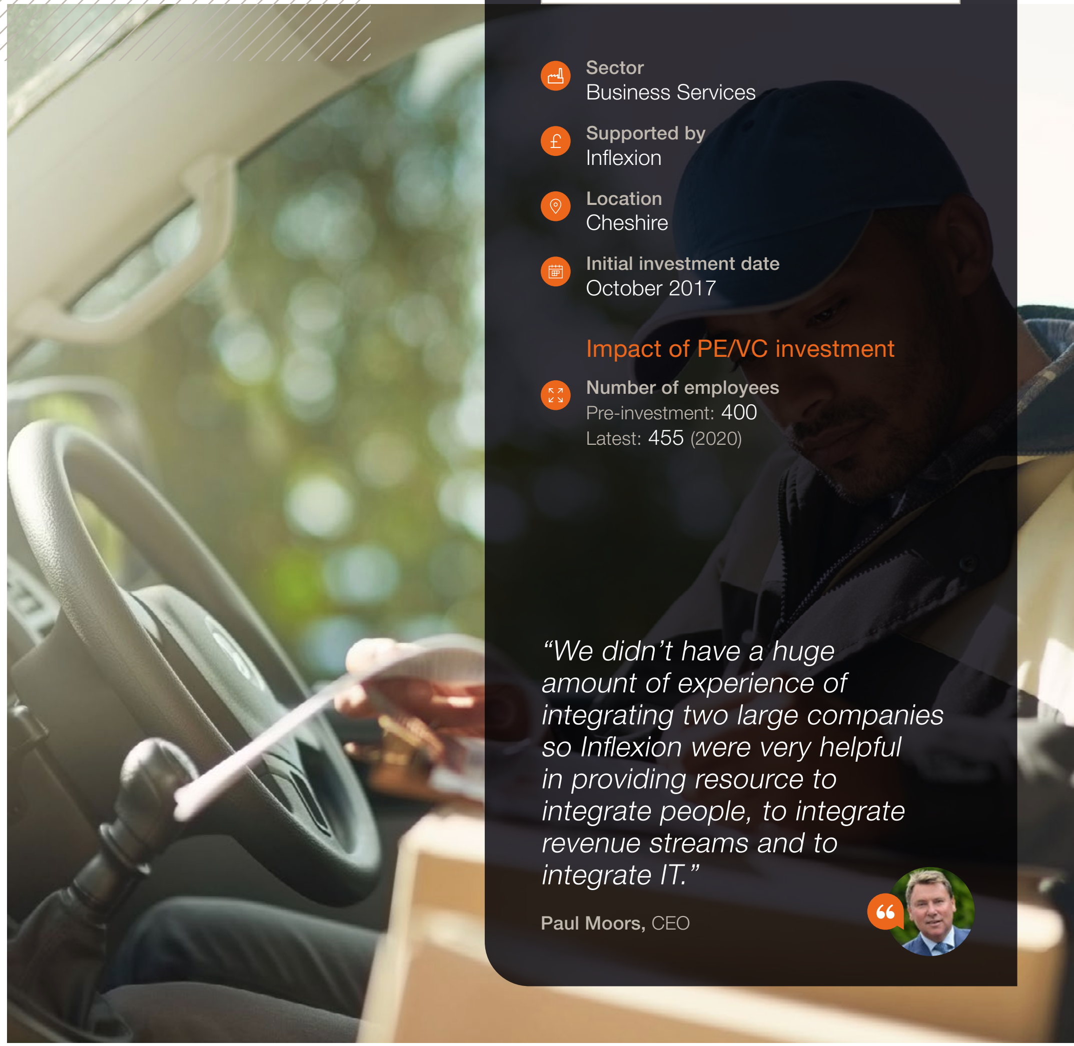
What did the business need?

Inflexion supported the business with the initial merger and integration of Bollington Insurance Brokers and F Wilson Insurance Brokers in October 2017, to create Bollington Wilson Group. The insurance market is fragmented and management from both businesses saw an opportunity to create a northern powerhouse broker, however needed an investor with experience integrating businesses, but also with the capital and ambition to fund further M&A.

What lasting value did PE/VC investment bring?

At the outset, Inflexion's Digital team helped with integration of the IT systems, the value acceleration team helped with implementing a 100 day plan, and the investment team provided support with M&A and the alignment of the two cultures. The company moved into a new flagship head office, bringing additional gravitas and status to the new Group and further cementing its position as a leading northern broker.

The Group provides its clients with a holistic product offering complemented by several niche market specialisms and operates across a range of distribution channels, leveraging a nationwide team of specialist account managers and a leading digital proposition. During Inflexion's investment the Group grew organically and via strategic acquisition and is now the largest independent broker in the North of England, operating across seven offices and employing more than 400 people. Bollington Wilson made five strategic and value accretive acquisitions during the investment period, which expanded its product offering and strengthened its regional presence.



bollingtonwilson

Sector
Business Services

Supported by
Inflexion

Location
Cheshire

Initial investment date
October 2017

Impact of PE/VC investment

Number of employees
Pre-investment: 400
Latest: 455 (2020)

"We didn't have a huge amount of experience of integrating two large companies so Inflexion were very helpful in providing resource to integrate people, to integrate revenue streams and to integrate IT."

Paul Moors, CEO

Cohesion case study

British Engineering Services

British Engineering Services British Engineering Services is a provider of premium quality engineering testing, inspection and consultancy services whose customers benefit from state-of-the-art technology and excellent online reporting systems. It carries out thorough examination and testing on plant machinery across the UK and Ireland and works with c.30,000 customers.

What did the business need?

British Engineering Services was bought from RSA Plc, the multi-billion pound listed insurer. The non-core subsidiary had been suffering from a lack of investment. Inflexion worked with the management team for a year prior to the deal to identify operational improvements and areas for strategic investment. Inflexion helped to improve IT systems, financial systems and the sales function. In addition, the TIC (Testing, Inspection & Certification) market was highly fragmented and the company could benefit from the additional capital that an investor could provide to accelerate growth through add-on acquisitions.

What lasting value did PE/VC investment bring?

Inflexion's experience in carve-outs was invaluable in executing the deal and helped the company with the initial transition to being a stand-alone company. With its understanding of the fragmented TIC services market, Inflexion is supporting British Engineering Services accelerate growth through consolidation opportunities.

The Inflexion team also helped with strengthening the BES management team with a number of valuable senior recruits. Talent is one of Inflexion's value acceleration levers and its Talent Director's strong network helps to find candidates which fit an organisation's culture. The individuals that Inflexion put into BES have been invaluable for the team.

Today the company has over 450 highly trained Engineer Surveyors and Consultant Engineers, strong customer support systems and a wealth of technical expertise.

Future growth plans

BES has performed very strongly throughout COVID-19, and has successfully won new customers and deepened relationships with existing clients. It has continued to recruit and has recently opened a new training centre. Together with the company, Inflexion are assessing further M&A opportunities and are confident that the company will see more organic and acquisitive growth.

"We have recently opened a standalone training centre to ensure we can always train our new starters and upskill our existing Engineer Surveyors."

Stewart Kay, CEO

BRITISH ENGINEERING SERVICES

Sector
Business Services

Supported by
Inflexion

Location
Manchester

Initial investment date
October 2015

Impact of PE/VC investment

Number of employees
Pre-investment: 500
Latest: 650

"Our partnership with Inflexion is really delivering for the British Engineering Services Group. We're able to make quick decisions and have adopted an innovative and industry leading approach to servicing our customers."

Stewart Kay, CEO

Cohesion case study

Glide

Glide is the UK's leading provider of managed internet and digital media services to high-density accommodation. The company designs, installs, and manages fibre networks required to deliver broadband connectivity together with other critical products and services to student accommodation, the private rental sector, and small and medium sized enterprises.

What did the business need?

In October 2013, management of Glide (then CableCom) were looking for an investor to help expand capacity and improve services. It was looking for a partner with experience in the technology and telecoms sectors, but also with M&A experience in these markets. Inflexion appointed a highly experienced Chairman from its network to work with the strong management team, and the partnership saw Glide develop into a unique national asset with a leading market position.

What lasting value did PE/VC investment bring?

Inflexion supported the expansion of the business through two strategic high-growth acquisitions (i) Glide, which expanded the range of services provided and (ii) WarwickNet, which expanded the customer base into the business sector and provided access to a fibre network installation capability. Following the acquisitions, the business was renamed Glide.

Under Inflexion's ownership there was significant investment into Glide's national infrastructure, building a resilient UK wide network covering over 250,000km, passing 94,000 premises and benefitting from 250+ fibre points of presence. This allowed Glide to benefit from exponential growth in broadband usage, driving significant economies of scale.

By the time Inflexion sold the business, it was providing high quality services to three independent sectors; students, business parks, and emerging private rental sector. It was sold with a world class infrastructure.

What did the investment achieve?

A well planned and highly competitive exit process was run during the coronavirus crisis. The strong growth of the business, driven by the ongoing capital investment programme, the high level of recurring revenues, and resilient nature of the national infrastructure meant that despite the market uncertainty, a number of potential acquirers put forward bids at attractive valuations.

Glide

Sector
Technology

Supported by
Inflexion

Location
Clevedon

Initial investment date
October 2013

Impact of PE/VC investment

Number of employees
Pre-investment: 80
Post-investment: 300

Under Inflexion's ownership, EBITDA grew over 160%. Organic growth primarily came from the core UK market, which was driven by a combination of new customer wins and extensions to existing contracts. The business also expanded into Europe and focused on the new growth markets of high-density housing and the build to rent segment for young professionals.

Cohesion case study

Merlin Entertainments

Merlin Entertainments is the second largest operator of visitor attractions and theme parks globally and the largest in Europe with 67m annual visitors across 130 attractions around the world.

Merlin has a unique portfolio of family entertainment brands and iconic assets, diversified by geography, customer demographic and attraction types.

The company operates across three operating groups: LEGOLAND Parks (8 LEGOLAND theme parks in 7 countries), Resort Theme Parks (6 theme parks in 3 countries, e.g. Alton Towers, Gardaland) and Midway Attractions (116 attractions in 22 countries, mainly indoor attractions in city centres, e.g. London Eye, Sea Life, Madame Tussauds).

What did the business need?

In 2005, Blackstone partnered with a strong management team and the family founders and owners of the iconic LEGO brand, KIRKBI, to combine Merlin Entertainments with LEGOLAND. At the time, Merlin was effectively a UK-only business consisting of aquariums and dungeon attractions.

Merlin's core values and family orientation fit well with the LEGO brand, and Blackstone had the vision, capital, and expertise to support management in building a much larger company.

What lasting value did PE/VC investment bring?

Merlin underwent a massive transformation during Blackstone's initial eight-year ownership via organic and inorganic growth, including the acquisitions of The Tussauds Group (Madame Tussauds, London Eye, 5 theme parks incl. Alton Towers) and Gardaland. The company grew revenue and EBITDA by over 20x to become the second largest operator of visitor attractions and theme parks globally after Disney, and the partner of choice for the world's leading brands to deliver immersive experiences to guests. On 8 November 2013, Merlin successfully completed an IPO on the London Stock Exchange.

Future growth plans

In November 2019, Blackstone re-acquired Merlin, taking it private using its long-term Core Private Equity strategy, together with pension fund CPP Investments and long-term shareholder and family office KIRKBI. It has committed to further significant, long-term investment to ensure the longevity of the existing assets and to drive continued growth for Merlin and its stakeholders.

The future growth plans include, amongst others, opening of new LEGOLAND Resorts, evolution of day trip theme parks into destination resorts and opportunistic acquisitions.

Sector
Leisure

Supported by
Blackstone

Location
Poole

Initial investment date
2005

Impact of PE/VC investment

Turnover
Pre-investment: £44.9m
Post-investment: £1,249m (2014)

Number of employees
Pre-investment: 2,790
Post-investment: 26,000 (2014)

In November 2013, Merlin successfully completed an IPO on the London Stock Exchange, giving an implied enterprise value of £4.9bn. Blackstone fully exited the business in 2015 and returned in excess of 6x invested capital to investors, predominately pension funds.

Cohesion case study

Moneypenny

Moneypenny is a world-leading provider of outsourced customer communications. Since its creation in 2000, the business has delivered seamless customer engagement by blending brilliant people with leading edge technology solutions. As a trusted partner to both small and large businesses, Moneypenny's People as a Service offer handles thousands of calls, live chats and digital communications on behalf of businesses across the UK and the US.

What did the business need?

Moneypenny was looking to significantly expand across its core markets in the UK and the US to become a global leader. It needed to develop the team and platform required to maximise on the growth trend in outsourced communications. Moneypenny also needed to innovate and offer market leading technology, utilising data, AI and automation to help clients improve the efficiency and quality of their service offerings.

What lasting value did PE/VC investment bring?

ECI's Origination Team supported Moneypenny's expansion' and 'ECI's Origination Team mapped the US market for Moneypenny, leading to the off-market acquisitions of US-based VoiceNation and NinjaNumber. Following those acquisitions, over a quarter of Moneypenny's revenue now comes from the US market.

The introduction of CTO Pete Hanlon, strengthened Moneypenny's senior team, and helped the business make significant progress in leveraging Natural Language Processing technology, to ensure the business is front and centre in new developments in communication tech including applications that allow customers to manage their clients 24/7 such as Live Chat and AI enabled services.

Moneypenny has grown into one of the largest employers in Wrexham, with around 1,000 staff, where c. 86% of group employees are women. It is able to offer flexible roles for its workforce and has an 81% internal promotion rate.

Future growth plans

Moneypenny operates in a rapidly growing market which is set to benefit from the increased focus on flexible working solutions and the importance of high-quality customer engagement. Moneypenny has an impressive technology roadmap to pioneer new ways of generating value through AI/Voice technology and data insights. Using state-of-the-art AI and Natural Language Processing capabilities will help customers get better insights from their conversational data and help Moneypenny to develop cutting-edge solutions to deliver automated journeys and increase efficiency.

Moneypenny is looking to become the number one US provider for outsourced communications, with ECI supporting the management team with both their organic growth and M&A strategy.

Sector
Business services

Supported by
ECI Partners

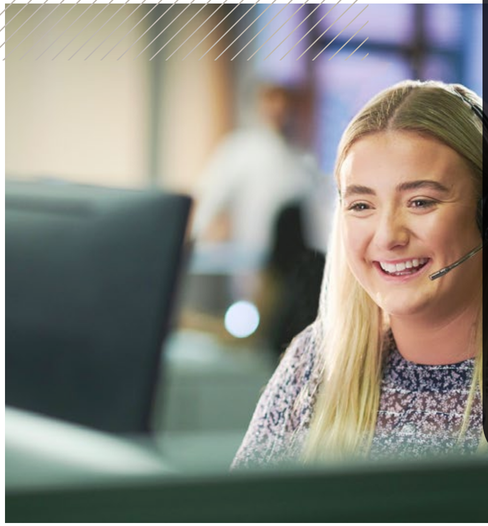
Location
Wrexham

Initial investment date
November 2018

Impact of PE/VC investment

Turnover
Pre-investment: £33m
Latest: £50m

Number of employees
Pre-investment: 700
Latest: 1,000



"With ECI's support we have progressed significantly in our aim to be the number one global provider of outsourced communications, supporting businesses of all sizes to deliver exceptional service with every interaction across our channels. We have been able to invest further across our business to ensure we deliver a world class experience for both our people and for our clients."

Joanna Swash, CEO

Cohesion case study

Neurovalens

Neurovalens is a medical device company with the vision to create technology designed to tackle the rapidly increasing global epidemics of metabolic and neurological disease. Current projects include non-invasive technology designed to treat a wide range of diseases by delivering electrical stimulation to deep parts of the brain.

What did the business need?

Neurovalens needed funding in order to develop the technology and scale the business. The early-stage investment and guidance would support Neurovalens to through medical trials and navigate regulatory approvals.

What lasting value did PE/VC investment bring?

IQ Capital's investment helped Neurovalens scale the business and advance technology to the next stage of trials. The non-invasive technology, created in collaboration with the University of California, San Diego, is currently at a Phase 3 stage in the treatment areas for Type 2 Diabetes and Obesity.

Future growth plans

Neurovalens has a primary focus on multiple US FDA approvals and aims to have their technology available on prescription later in 2021, addressing four global epidemics including obesity, insomnia, anxiety, and Type 2 diabetes.

"IQ Capital realised this potential and, by providing early-stage investment, allowed Neurovalens to rapidly move into the areas of Phase 3 trials and Regulatory Approvals."

Jason McKeown, CEO

NEUROVALENS

Sector
Healthcare and Life Sciences

Supported by
IQ Capital

Location
Belfast

Initial investment date
January 2019

Impact of PE/VC investment

Number of employees
Pre-investment: 10
Latest: 15

"Without IQ Capital's support, Neurovalens would not have been able to scale so quickly into the globally-recognised medical device company that it is today."

Jason McKeown, CEO

Cohesion case study

Radius Payment Solutions

Radius Payment Solutions is a leading fleet payment processing and telematics provider to small and medium sized fleets across Europe, North America and Asia. It has over 250,000 vehicles on its own telematics platform ensuring it is one of the world's fastest growing companies in this sector. Founded in 1990, the business has grown rapidly and today has over 1,000 employees in 23 offices with operations that span over 15 countries.

What did the business need?

Radius Payment Solutions needed a partner to help them achieve long term growth, while allowing the founders to keep majority control, to create interim liquidity and return some cash to shareholders.

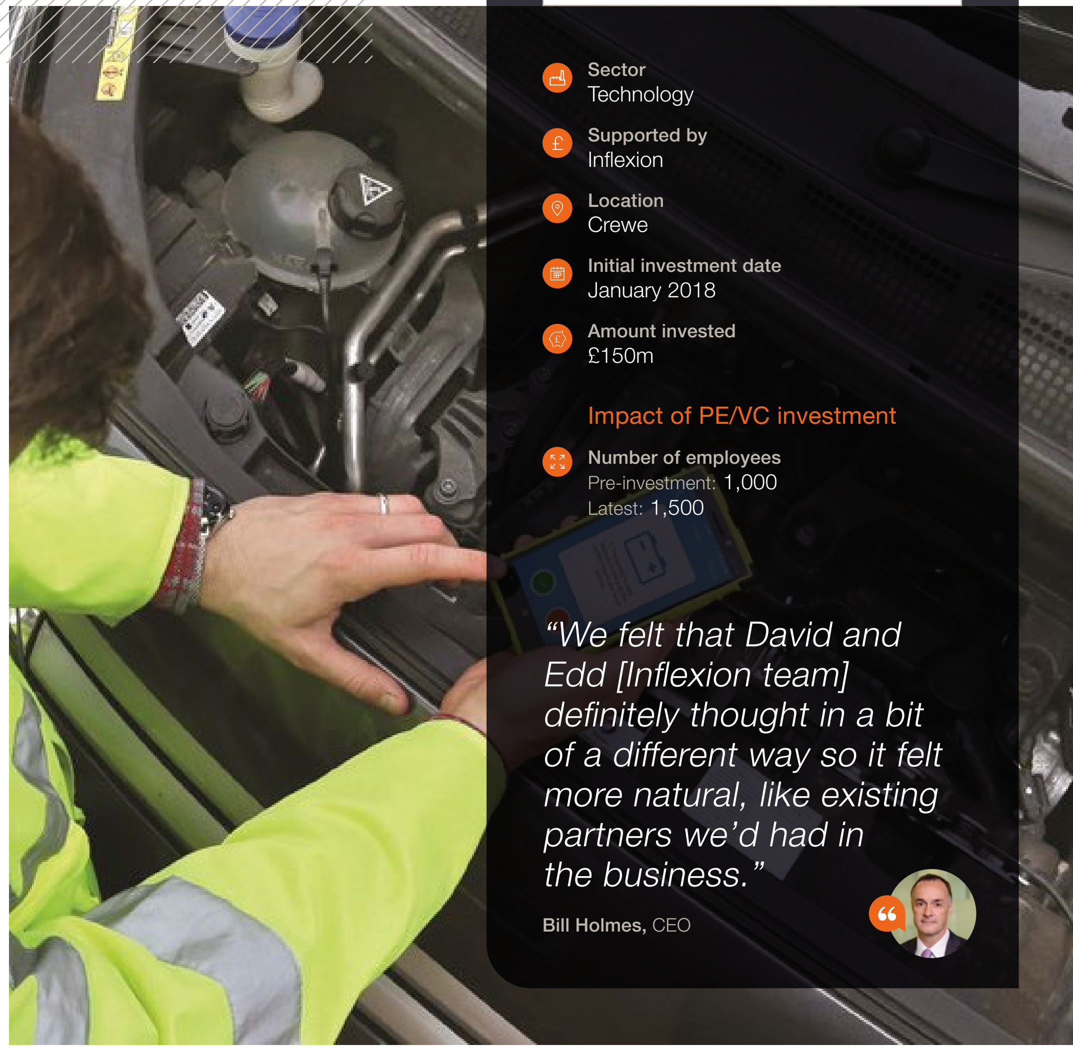
What lasting value did PE/VC investment bring?

Inflexion supports Radius' continued organic growth, particularly seeking out cross-selling for telematics and insurance products, whilst helping to accelerate sales across the globe. Inflexion has supported Radius' M&A ambitions both in the UK and internationally, including the recent acquisitions of Amelix Telecom Total Communications and Chargepoint BV.

In 2020, Radius completed four acquisitions including expanding services into electric vehicles. Previous acquisitions completed by Radius include Adam Phones, which expanded the Group's operations into the telecoms sector in October 2018.

Future growth plans

Radius' sales team will continue to be an investment priority, as it has proved to be a key vehicle for growth across all markets. Together, with Inflexion it will work on integrating the recent acquisitions and continue to assess further M&A opportunities in new and existing markets.



Sector
Technology

Supported by
Inflexion

Location
Crewe

Initial investment date
January 2018

Amount invested
£150m

Impact of PE/VC investment

Number of employees
Pre-investment: 1,000
Latest: 1,500

"We felt that David and Edd [Inflexion team] definitely thought in a bit of a different way so it felt more natural, like existing partners we'd had in the business."

Bill Holmes, CEO

Cohesion case study

SHE Software

SHE Software aims to radically reduce workplace fatalities & accidents and improve well-being, mental health and productivity within working environments. Using mobile first, AI assisted software, SHE has enabled hundreds of UK, US and ANZ companies across the transport, logistics, housing, food, retail, education and construction industries to make a step change in how they manage the health and wellbeing of their employees.

What did the business need?

Given its priority on scaling in the US and delivering major product innovation, SHE Software was looking for a funding partner with specialist expertise in scaling from c. 75 people to over 500 within a high growth, software, international environment. The resource and capacity to provide impactful advice and contacts across sales, marketing, finance, talent and operations was vital.

SHE Software now has over 300 clients, has achieved 40% annual growth and is scaling up its Scottish HQ.

What lasting value did PE/VC investment bring?

Frog's involvement has reaffirmed that the team's ambitious plans are achievable. Frog's Scale-Up Methodology and Operating Partner team has helped onboard the team's first CFO, taken the effectiveness of the senior leadership team to the next level through executive coaching, raised the profile of the business with potential partners, and sharpened the corporate messaging.

Future growth plans

SHE Software is aggressively driving towards becoming global software leader in mid-market health, safety, and environmental risk. Key priorities are North American growth, major extensions to SHE's technology and AI and the building of a world class team.

Sector
Technology

Supported by
Frog Capital

Location
East Kilbride

Initial investment date
February 2020

Impact of PE/VC investment

Turnover
Latest: £7m (2020)

Number of employees
Pre-investment: 85
Latest: 110

"Frog is an exceptional team, expert in the scaling of high growth businesses. Their insights & network have been invaluable in helping SHE scale rapidly."

Matthew Elson, CEO

Cohesion case study

Skyscanner

Skyscanner is an online travel technology established in 2002 and headquartered in Edinburgh. It has a metasearch engine which enables consumers to research and book travel, including flights, hotels and car hire. Initially, it focused on budget carriers and chartered airlines in Europe. Scottish Equity Partners first invested in Skyscanner in 2007 to help the company extend its reach across all airlines globally, and to diversify into other travel verticals.

What did the business need?

Scottish Equity Partners was the company's largest shareholder and lead investor, and worked closely with the founders to develop the senior team, including the appointment of a CTO, CFO and COO. Scottish Equity Partners supported the company's internationalisation through M&A activity and the opening of 10 global offices across the US, Europe and Asia. Scottish Equity Partners also helped the company with its strategic development and growth and led a number of financing events, including investment from Sequoia and Baillie Gifford. Scottish Equity Partners played a lead role in the company's exit to NASDAQ-listed Trip.com. Skyscanner continues to operate independently within the Trip.com group.

What lasting value did PE/VC investment bring?

Scottish Equity Partners helped the company professionalise its business structure and put in place the foundations for accelerated growth and global expansion. Taking a long-term view, Scottish Equity Partners provided hands-on and practical support to the founders, helping them to develop a strong executive team and high performance board. Scottish Equity Partners encouraged the company to take a long-term view of value creation, which ensured the company achieved real scale and an excellent outcome for its shareholders and stakeholders. Skyscanner is one of the best known travel technology companies in the world.

"Skyscanner's position as a world leading travel search business would not have been possible without the great support we have had from Scottish Equity Partners. They have been a consistently engaged, informed and astute partner throughout our journey."

Gareth Williams, Co Founder and former CEO

Skyscanner

Sector
Technology

Supported by
Scottish Equity Partners

Location
Edinburgh

Initial investment date
November 2016

Amount invested
£9m (from Scottish Equity Partners)

Impact of PE/VC investment

Turnover
Pre-investment: £1m
Post-investment: £175m

Number of employees
Pre-investment: 30
Post-investment: 800

Cohesion case study

WEALTH at work

WEALTH at work (WAW) offers financial education, regulated advice and wealth management services designed specifically for the workplace and delivered nationally by a team of specialists, who have educated over 80,000 employees across the UK.

The company was founded in 2004 and has gone on to build a comprehensive offering, which includes interactive financial wellbeing websites, workplace seminars, and a dedicated wealth management service. WAW has won contracts with blue-chip corporations including BT, Marks & Spencer, United Utilities and British Gas.

What did the business need?

As a business that was set up to advise retiring workers looking to take a more active role in the management of their pension pots, WAW appeared perfectly positioned to enable and cater to the “pensions freedoms” policy announced by the government in the 2014 budget.

Despite strong growth and rising AUM, which had grown 40% p.a to reach £598m, the business had been loss-making and only turned its first monthly profit in February 2015. Wealth at Work’s most pressing need was fresh equity investment. But the company also needed a renewed strategic direction which would identify clear areas of opportunity and place an increasing focus on consolidation.

What lasting value did PE/VC investment bring?

Upon investing in WAW, Equistone immediately set about changing the company’s approach to consolidation. Equistone oversaw the acquisition of Affinity Financial Planning, enabling WAW to quickly achieve the scale it needed.

Equistone’s investment also allowed the firm to bolster its technology offering and increase recruitment. In doing so, WAW was able to secure mandates with some of the country’s largest employers and best-known brands, and quickly built a reputation as a quality supplier of “Financial Wellbeing” services.

During Equistone’s tenure, the business has grown from 125 employees and £500m assets under management to 300 employees and £1.75B assets under management. Compound growth has been in excess of 30% pa since 2016 and the business is now very profitable.

Future growth plans

Significant and constant investment in technology, as well as people, has seen WAW develop into a fintech business, able to efficiently provide a high-quality service at increasing scale.

The business is launching a new, technology-based online guide. This has been developed over the past two years and is designed to provide an even greater degree of support for employees in the “accumulation” phase of retirement. Ongoing investment in technology is allowing the company to further develop and build its offering. As a result of the above, they expect the business to continue its strong growth trajectory.

WEALTH at work
KNOWLEDGE | EXPERIENCE | OPPORTUNITY

Sector
Business services

Supported by
Equistone

Location
Liverpool

Initial investment date
August 2015

Impact of PE/VC investment

Number of employees
Pre-investment: 120
Latest: 300

“People often say that private equity is both impatient and short term in its views when investing capital – that is very definitely not the case in our experience with Equistone, who have been exactly the opposite. They have been supportive and patient throughout the course of our partnership.”

David Cassidy, CEO and Founder

Cohesion case study

WHP Engineering

WHP Engineering specialises in the provision of cleanrooms and laboratories for the pharmaceutical, biotech and industrial sectors, both in the UK and internationally. It offers end-to-end project management, including design, construction, validation, commissioning, servicing and maintenance with a safety-first approach – in September 2019 it achieved a five-star rating The British Safety Council's (BSC's) Occupational Health and Safety Audit.

The company has worked with some of the world's leading brands, including the likes of BASF Pharma, Fujifilm Diosynth Biotechnologies, GSK and Rolls Royce Marine Power Operations.

What did the business need?

WHP required commercial leadership to help the founders (one of whom is still a director) put the company on a sound financial footing. Enact brought in Ian Lichfield as CEO as he had the right commercial background to take the company forward. The three operating areas of the business were located separately, so were brought in to one location so that there was better oversight of projects and operations.

In terms of strategy, the leadership team decided to focus on the life sciences sector and identify the right balance of the projects they undertook.

What lasting value did PE/VC investment bring?

As of 2020, the business has 82 permanent staff members, but individual projects can employ a larger team (often up to 200) of planners, designers, programmers, engineers, and highly-skilled technical experts. The business takes on around 10 projects a year which can range from 200k to £35m in size, and has completed around 50 projects under Enact's ownership.

In February 2020, WHP completed the design and build of a new viral vector manufacturing centre for Oxford Biomedica. The new GMP facility is suitable for manufacturing viral vectored vaccines and gene therapy vectors up to 1,000 litre scale and will be used for the large-scale manufacture of the Astra-Zeneca COVID-19 vaccine.

Future growth plans

WHP is very profitable and has a strong pipeline of future projects. Enact are in the first stage of exit planning and hope to push turnover to £45m and hope to go to market in the second half of 2021.

"In 2020, the company was awarded the BSC's Sword of honour, which recognises our exemplary management of health, safety and environmental risks, and we continue to do outstanding work in the local community. The company has a bright future."

Ian Lichfield, CEO

Sector
Engineering

Supported by
Endless

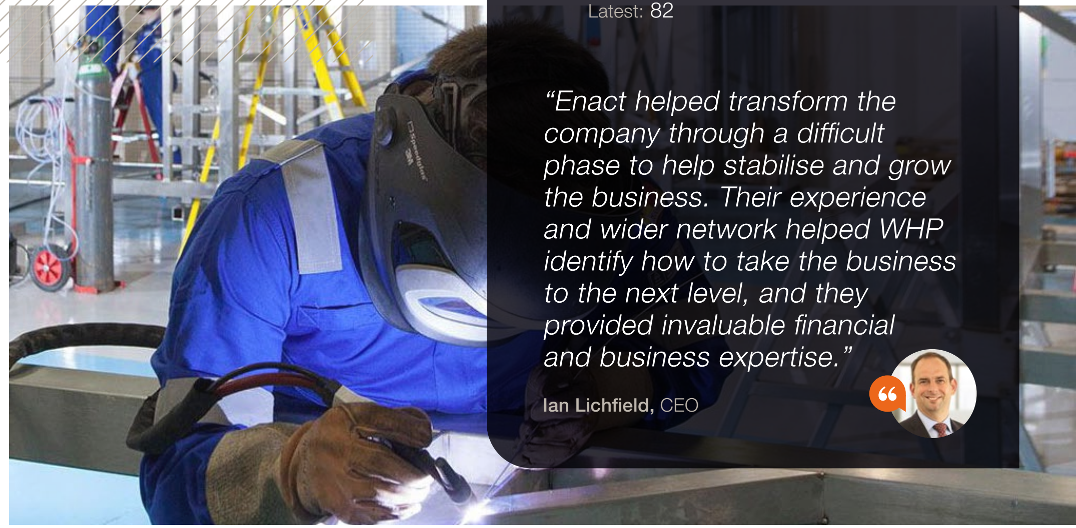
Location
Gateshead

Initial investment date
September 2016

Impact of PE/VC investment

Turnover
Pre-investment: £9.4m
Latest: £35m (2020)

Number of employees
Pre-investment: 74
Latest: 82



"Enact helped transform the company through a difficult phase to help stabilise and grow the business. Their experience and wider network helped WHP identify how to take the business to the next level, and they provided invaluable financial and business expertise."

Ian Lichfield, CEO

Climate case study

ELeather

ELeather is the pioneer of sustainable, engineered leather. Its revolutionary process transforms leather into advanced materials while achieving a significantly lower environmental footprint. ELeather reduces waste, increases performance, and enables brands to create extraordinary products and memorable customer experiences, while improving sustainability.

ELeather has grown to supply industries ranging from transport to footwear, exporting over 90% of sales to more than 50 countries.

What did the business need?

£6m initial investment was required to scale up manufacturing in first facility, followed by £65m of funding to create a new, state of the art technology and manufacturing facility, greatly increasing capacity and allowing expansion into new markets.

ELeather required patient scale-up funding from a seasoned investor with liked-minded values to existing family office shareholders. The investment enabled a new, state of the art technology and manufacturing facility increasing capacity by 4x and to expand the business into new markets to fuel the next phase of growth.

What lasting value did PE/VC investment bring?

The funding was critical for the company to meet their ambitious growth plans through increasing manufacturing capacity and entering new markets.

In 2018, ELeather entered a long-term strategic innovation partnership with Nike to introduce a new performance material, Nike Flyleather. Flyleather is a performance, engineered leather made from recycled leather fibres and is lighter and more durable (based on abrasion testing) than full-grain leather. It is manufactured from unused leather diverted from landfills and constructed with high-performance materials to create Nike's most sustainable leather product.

Future growth plans

ELeather are planning further expansion into consumer and lifestyle markets, as well as the automotive sector, where they can introduce the benefits of a high-performance, sustainable material that addresses consumer demands.

"As a leader in the sustainability space, ETF Partners has provided valuable support as we continue to expand our market-leading environmentally friendly products to new markets. We are proud to have them on board as strategic investors and advisors."

John Kennedy, CEO

ELeather
LEATHER-EVOLVED

Sector
Manufacturing

Supported by
ETF Partners

Location
Peterborough

Initial investment date
2017

"ETF Partner's financial support has been vital in the growth and expansion of the business. Their support, alongside other investors, was a critical milestone in enabling the company to move to a much larger scale and add consumer products and automotive customers to our impressive list of transportation and footwear brands."

John Kennedy, CEO

Climate case study

Smarter Grid Solutions

Smarter Grid Solutions' technology increases the capacity and resilience of electricity grid infrastructure, helping utility clients avoid or defer significant network upgrade costs and facilitating the connection of renewables and storage. Using real-time management of the electricity network, SGS' innovative software allows network operators to run closer to the limits on existing grids, while reducing waiting times for renewable developers to connect new generation technologies. Operating globally from bases in the UK and USA, its enterprise software platform, ANM Strata, is being deployed by world leading utility companies.

What did the business need?

The company needed support to transition from a consulting led sales model to a more lucrative software licence model. The utility market was undergoing significant change due to a rise in distributed generation via renewables and battery storage and an increase in electric vehicles. The business needed investment to strengthen the technical and sales team in order to capitalise on a growing demand for active electricity network management technology.

What lasting value did PE/VC investment bring?

Investment has helped build the senior leadership team, named Scottish Venture-backed Management Team of the Year at the 2019 BVCA Management Team Awards. Investment also supported international expansion and fuelling revenue growth from just over £1 million when Scottish Equity Partners invested to £10 million in 2020. SGS is now a global operator active across the UK, European, and US utility markets, having built an impressive blue chip customer base and secured live-grid deployments in each territory. North America now accounts for almost 50% of revenue.

Future growth plans

To increase deployment of active management software to move both the electricity grid and market towards net zero carbon emissions. SGS is now supplying its Distributed Energy Resource Management Systems software to all six of the UK's Distributed Network Operators and further growth will come from international ground-breaking clean energy projects in the US, Australia, Canada, Germany and, most recently, India.

smarter grid solutions

Sector
Energy and Utilities

Supported by
Scottish Equity Partners

Location
Glasgow

Initial investment date
December 2011

Impact of PE/VC investment

Turnover
Pre-investment: £1m
Latest: £10m

Number of employees
Pre-investment: 25
Latest: 66

Climate case study

The Modern Milkman

The Modern Milkman (TMM) is a fast-growth UK startup committed to building a more convenient and sustainable approach to grocery shopping. The Manchester-based business delivers convenient groceries from independent and local suppliers directly to customers' doorsteps in returnable and reusable packaging.

Sustainability is in the DNA of the TMM offering - through its innovative returnable and reusable packaging model, the company has saved 9 tons of plastic to date to be exact.

The company takes tens of thousands of deliveries each week across Greater Manchester, Leeds and Lancashire, allowing customers to place orders until 9pm to ensure deliveries by 7.30am the following day.

What lasting value did PE/VC investment bring?

Tomer Strikovsky, an investment manager at ETF Partners:

"In today's world, many of us are looking to reduce our environmental impact on the planet, but convenience remains key to daily life. Consumers do not need to forego convenience when prioritising the sustainable environmental, economic, and social structures surrounding food delivery.

We have full confidence that The Modern Milkman will play an essential role in changing how we consume food, and we continue to be impressed by the founders and their commitment to sustainability."

Future growth plans

In 2021, TMM aims to expand across the UK, fulfilling its target of helping consumers shift away from single-use plastic and lead a more sustainable lifestyle without giving up on convenience.

Modern Milkman

Sector
Food and Agriculture

Supported by
ETF Partners

Location
Colne

"ETF Partners' insight, skill and experience in the sustainability space will help us deliver the positive impact we strive to have on the environment at pace, as we move forward with our expansion plans across the UK over the course of 2021."

Simon Mellin, Founder & CEO

Climate case study

UK Power Reserve

UK Power Reserve (UKPR) is a leading provider of secure, flexible, low carbon electricity and services to the UK power market. Headquartered in Solihull and established in 2010, it has developed, built or acquired generation capacity to grow from a start-up to a substantial independent operator.

What did the business need?

In December 2014, the company secured a significant number of 15-year Capacity Market (CM) generation contracts to nearly triple its existing capacity, and a year later Inflexion Private Equity and Equistone Partners Europe invested in the business to support the management team in optimising performance from existing operations and building new sites to achieve this growth.

What lasting value did PE/VC investment bring?

During their time together, a massive capex programme saw UKPR treble capacity to over 500MW from 32 rapidresponse power stations across England and Wales. To put it in perspective, that is enough to power 375,000 homes in local communities.

The National Grid needed more generation and new assets coming onto the energy system in the UK. To this end, they issued long-term, 15-year capacity market contracts to build out new power stations. This provided UKPR with fixed revenues and allowed them to access new markets with highly responsive new assets, which is what really drove the growth during the period Inflexion were invested.

What did the investment achieve?

Since the investment, staff headcount increased from 70 to 150 by the time the business was acquired by Singapore-headquartered energy group, Sembcorp, in May 2018. Capacity more than trebled to over 500MW delivered from 32 power stations across England and Wales.

Revenues also increased significantly, from around £20 million to over £80 million.

"Inflexion is one of four private equity firms I've worked with, and they were the perfect partner. Inflexion as a business isn't very old, and I could see parallels of how they were growing their business in how we were growing ours. They, like us, are big believers in resource and investing in people to ensure the business has the bandwidth to achieve what we want to achieve. They were supporting rather than obstructing us in our plans."

Tim Emrich, Co-Founder and former CEO

ukpowerreserve

Sector
Energy and Utilities

Supported by
Inflexion and Equistone

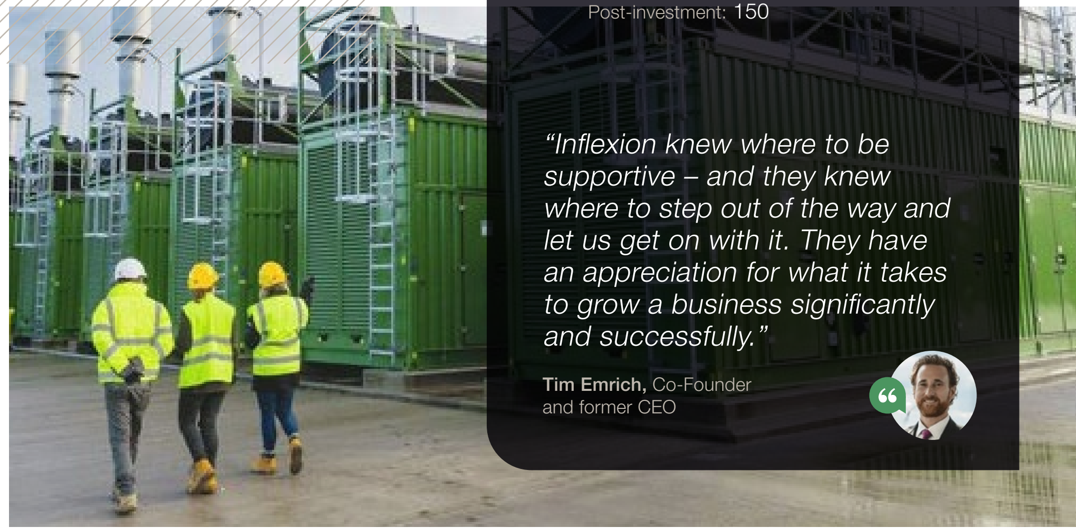
Location
Solihull

Initial investment date
2015

Impact of PE/VC investment

Turnover
Pre-investment: £20m
Post-investment: £80m

Number of employees
Pre-investment: 70
Post-investment: 150



"Inflexion knew where to be supportive – and they knew where to step out of the way and let us get on with it. They have an appreciation for what it takes to grow a business significantly and successfully."

Tim Emrich, Co-Founder and former CEO

Climate case study

Vital Energi

Vital Energi designs, installs and operates clean energy centres for the commercial, residential and public sectors, helping to provide cost effective heating, cooling and power, while also reducing carbon emissions and improving air quality. The company provides total solutions, from initial design to project implementation, operation, and maintenance, comprising combined heat and power (CHP) sources, storage, controls and associated clean energy equipment. It has a strong track record of providing innovative and market leading solutions, with key deployments including the Natural History Museum, Terminal 5 Heathrow, Glasgow Commonwealth Games and the King's Cross Central energy centre.

What did the business need?

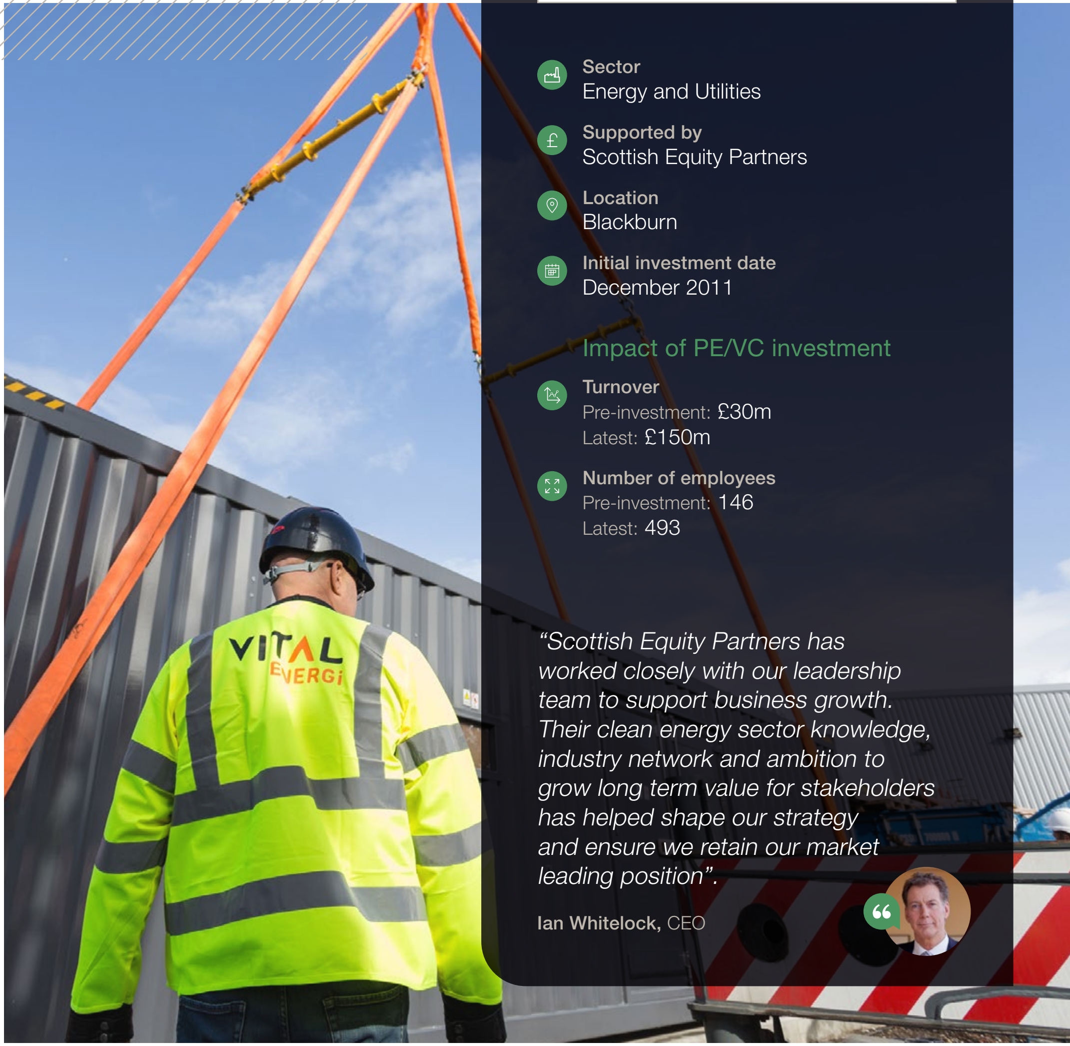
The business was led by a strong and experienced management team and required investment to scale to meet the increasing demand for distributed energy across the UK. It was already an established player in the UK heat sector and was seeking to accelerate the implementation of the latest technologies and diversify into high value adjacent energy sectors, including the installation of proprietary heat interface units and the development of energy from waste systems.

What lasting value did PE/VC investment bring?

Vital Energi has grown into the UK market leader with an impressive track record. Turnover has trebled since 2015 and the company is projecting further growth as market demand for heat de-carbonisation continues to build. Scottish Equity Partners has contributed to the ongoing strengthening of the company's board and management, with a focus on growing business development resource and to maximising shareholder value.

Future growth plans

Vital Energi is developing its expertise and presence across the clean energy and heat sectors, and is now ideally placed to contribute to the UK's decarbonisation ambitions. The company plans to continue to expand its client base across the UK, delivering innovative solutions across towns, cities, NHS hospitals, and to industrial clients and housebuilders. It is committed to investing in and developing its people to ensure it has the key industry skills needed to help the UK achieve its 'net zero' targets.



Sector
Energy and Utilities

Supported by
Scottish Equity Partners

Location
Blackburn

Initial investment date
December 2011

Impact of PE/VC investment

Turnover
Pre-investment: £30m
Latest: £150m

Number of employees
Pre-investment: 146
Latest: 493

"Scottish Equity Partners has worked closely with our leadership team to support business growth. Their clean energy sector knowledge, industry network and ambition to grow long term value for stakeholders has helped shape our strategy and ensure we retain our market leading position".

Ian Whitelock, CEO

Climate case study

Willerby

Willerby is the UK's largest manufacturer of caravan holiday homes and lodges. With a rich 75-year history that can be traced back to the origins of caravan manufacture, the company has constantly kept ahead of market trends and adapted to the changing leisure lifestyle requirements of the consumer.

What did the business need?

As market leader Willerby was well placed to capitalise on the attractive fundamentals of the UK holiday home sector – namely a strengthening grey pound and increasing propensity for staycations.

The business was looking for a supportive shareholder to work with Management to continue to invest in manufacturing improvements, new product development, build a consumer-facing proposition and explore growth into adjacent markets.

What lasting value did PE/VC investment bring?

ESG is central to the company's ethos. Willerby is closely involved with its local community in Hull, supporting many charity events, and have a very strong apprenticeship programme. The founder of Willerby originally made beehives, so they provide materials for the local prison to make beehives for local schools.

They recently installed two biomass incinerators to burn left-over wood, which turns into heat for the factory and to make the production process more circular, saving 1,000 tonne of CO2 in gas reduction alone. The investment exceeded the normal capital expenditure budget and had a longer payback period but the investors were very supportive of the process.

Future growth plans

Willerby continues to focus on developing caravan holiday homes and lodges for the consumer, whose desire for domestic staycations has increased significantly as a result of the COVID pandemic.

The business intends to continue building a relationship with the end-consumer and helping them find the right holiday home and park for them. This has required different skill sets and substantial investment. The investors helped the company undertake a well-executed consumer-facing strategy to take the business forward.

An adjacent market is bespoke building of residential park homes; with an ageing population there will be demand for many more single-floor dwellings. Willerby have dedicated one of their factories to this and it requires heavy investment as the sales cycle is much longer. The other growth area is modular housing, which is evolving and will accelerate to help fill the housing gap in the UK. This is part of their plan for future growth.

WILLERBY

Sector
Manufacturing

Supported by
Equistone

Location
Hull

Initial investment date
June 2017

Amount invested
£50m

Impact of PE/VC investment

Turnover
Pre-investment: £155m
Latest: £170m

Number of employees
Pre-investment: 900
Latest: 1,000

"The partnership with Equistone has been fantastic. They pressure test our plans and use their experience to challenge and provide feedback. But once we have a plan, they leave it to us to execute and are very supportive."

Peter Munk, CEO

Contacts

The private equity and venture capital industry's contribution to public value in the UK can be explored further in these reports:

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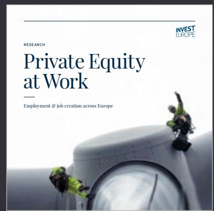

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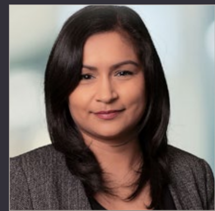
If you would like to discuss this report or the industry's contribution more generally please contact any of the following:

Michael Moore
Director General, BVCA



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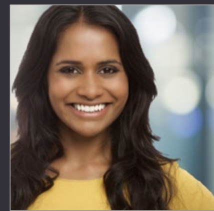
Leon de Bono
Assistant Director General, BVCA



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