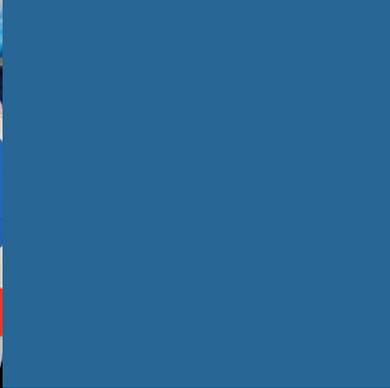


[www.ldc.co.uk/YNEView](http://www.ldc.co.uk/YNEView)



2019

# YORKSHIRE & NORTH EAST VIEW



**LDC**

BACKING AMBITION



# WELCOME

Welcome to the latest edition of Yorkshire & North East View – a round-up of LDC’s investment activity and portfolio successes during the past 12 months, as well as business insight from across the region.

Despite the uncertainty that has become more of a new normal of late, we’re seeing a continued focus on progress, optimism and a pragmatic approach to getting things done in the business communities across Yorkshire and the North East. This is in no small part, thanks to the resilient and ambitious business leaders this unique region produces.

We’ve already seen how the region has responded over the last 12 months. Indeed we completed a number of new investments with a combined deal value of more than £150million and supported two of our most well-known portfolio companies onto the next stage of their growth journey – video games label Team17 and the iconic Yorkshire crisp brand, Seabrook.

We have also continued to support the buy and build ambitions of those we back, often providing follow-on funding. Indeed, we've supported seven portfolio acquisitions across our regional portfolio in the last 12 months.

The roll call of recognition our portfolio has received is a real testament to their achievements.

To name just a few, Giacom and ZyroFisher landed a trio of accolades at the BVCA Yorkshire & North East Management Team Awards, while Specialist People Services was named one of UK's fastest growing businesses in the Sunday Times HSBC International Track 200. Our investment in Linley & Simpson won Deal of the Year (£5m - £25m) at the Yorkshire Dealmaker Awards and NBS was also named Private Equity Deal of the Year at the North East Dealmaker Awards.

We're very proud to have raised £18,000 for our chosen charity, Sue Ryder Manorlands Hospice in Keighley, which does such fantastic work providing care, advice and support for people living with life-limiting conditions and their families.

This is all part of our commitment to keep supporting the region, and, despite the uncertainty events such as Brexit may bring, we are confident this momentum will continue throughout 2019.

Yorkshire and the North East has always been home to many strong and resilient business leaders, and we have no doubt they will continue to push on with their growth plans. This is why our pledge to invest £1.2 billion nationally over the next three years remains unchanged.

JOHN GARNER

HEAD OF LDC IN  
YORKSHIRE AND  
THE NORTH EAST

**29 years**

in Yorkshire and the North East

**65 management teams**

supported

**£575million**

investment deployed since 1989

**£465million**

total revenues of current portfolio

**5,000 jobs**

supported in the region and beyond



LDC backed the secondary buyout of transport management software developer Mandata in a £20m deal to accelerate its organic growth.

*“By partnering with LDC we not only have the financial support to help us turbocharge growth, but a strategic partner that brings a track record of supporting high-growth technology businesses.”*

Mark Norcliffe, CEO, Mandata

## OUR LATEST PARTNERSHIPS

In the last 12 months, we’ve completed a number of new investments across the Yorkshire & North East region, in deals totalling more than £150million.

Read on to learn more about why each company chose to take on board investment and partner with LDC:

### LINLEY & SIMPSON

In June 2018, we partnered with Yorkshire property agency Linley & Simpson and invested £10million to back the team’s buy and build growth strategy.

Within the first eight months the team had already delivered five acquisitions and their ambition shows no signs of slowing!

The market-leading residential lettings and sales agency now has a growing network of branches and manages a portfolio of more than 6,000 properties.

Will Linley, Co-Founder of Linley & Simpson said: *“The support and capital we have received through our partnership with LDC has equipped us with the ability to move forward at scale and at pace. Our goal is to increase the number of properties we manage to 10,000 over the next three years.”*

## NBS

A partnership with the Royal Institute of British Architects (RIBA) saw LDC invest £31.8million to support the growth ambitions of NBS.

NBS is a technology platform for the construction industry. It is used by organisations of all sizes, from small architectural and engineering companies through the largest global construction firms. The company is headquartered in Newcastle and employs more than 200 people.

We're now working closely with CEO Richard Waterhouse to support the business' future product development and international growth plans, following a recent expansion into Canada and Australia.

Richard Waterhouse, CEO of NBS, said: *"Bringing in LDC alongside our long-term investor, the RIBA, creates the perfect mix of experience in the market and high-growth expertise."*

## MANDATA

LDC backed the secondary buyout of transport management software developer Mandata in a £20million deal to accelerate its organic growth.

Northumberland-based Mandata actively manages more than 10,000 vehicles, and our support enables it to continue investing in product development and grow its team.

Mark Norcliffe, CEO of Mandata, said: *"We're now at a key point in our growth journey. By partnering with LDC we not only have the financial support to help us turbocharge growth, but a strategic partner with a track record of supporting high-growth technology businesses, an on-the-ground presence in the north and an in-depth knowledge of our sector."*

## PELSIS

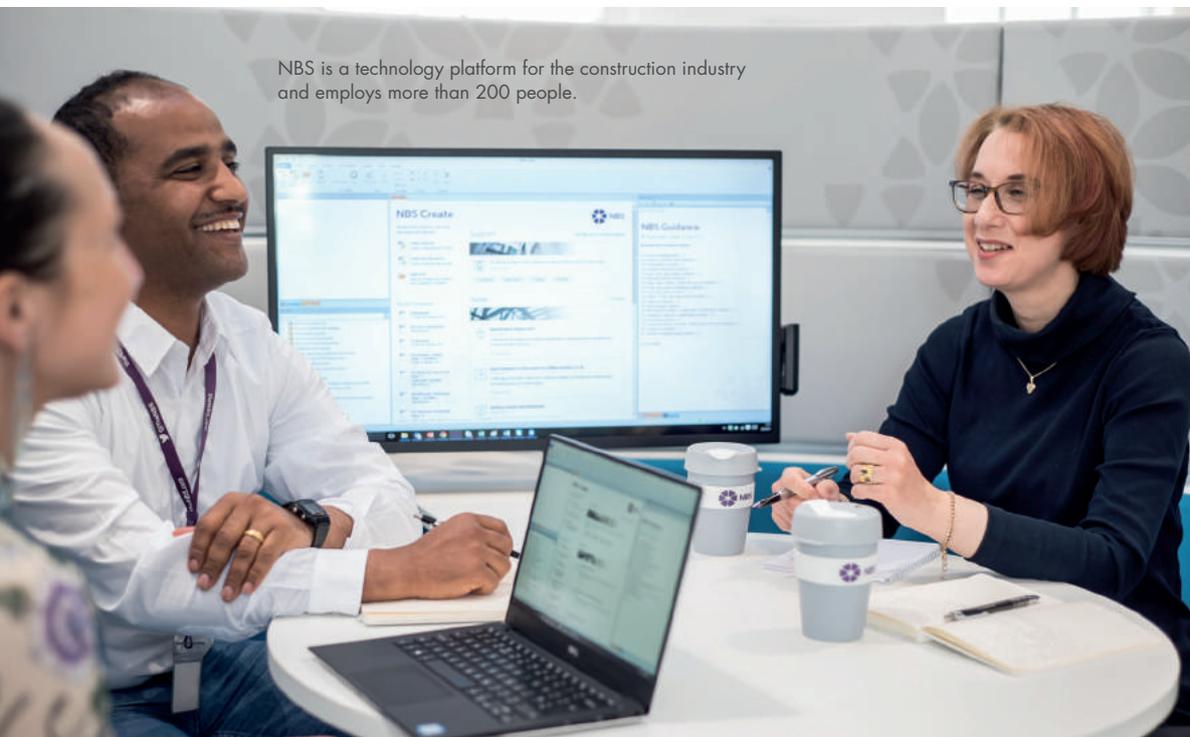
Knaresborough-based Pelsis, the leading European manufacturer of branded pest control products, has been part of the LDC portfolio since 2017 and over the past 12 months we've continued to support its international expansion strategy. This included the acquisition of US-based Curtis Gilmour in a deal that significantly expanded Pelsis' global presence.

The growing group's consolidated portfolio now has a turnover of £125million and operates from 15 locations worldwide, selling into more than 80 countries.

**£32.8m**

LDC investment to support the growth ambitions of NBS

NBS is a technology platform for the construction industry and employs more than 200 people.



# DELIVERING VALUE

LDC's approach is to partner with management teams, provide capital and guidance, empowering them to drive their growth strategy forward.

Here, we review how that has translated into outstanding results for three of our portfolio businesses in Yorkshire and the North East.

## TEAM17

We first invested £16.5million in video games label Team17 in 2016 to help fuel its expansion and in 2018 partially exited our investment following the company's successful listing on AIM.

Led by CEO and Founder Debbie Bestwick MBE, Team17 has grown significantly over the past two years. Revenues and EBITDA have more than doubled, underpinned by investment in product development, new launches and continued overseas expansion.

The £217million listing on London's AIM market raised proceeds of £107.5million and Team17 will now accelerate its international growth strategy, developing its own IP to capitalise on its position as a leading video games label for indie developers.

Debbie Bestwick MBE, CEO of Team17, said: "One of the key reasons why we opted to do business with LDC is the fact the team understood the importance of our business model, and our philosophy of nurturing new talent and supporting partners."

Team17 is a global developer of independent, premium video games. In 2018, the company completed a £217million listing on London's AIM market.

## ZYROFISHER

Cycling parts and accessories distributor ZyroFisher was formed in 2016, when LDC backed the management buyout of Zyro and its simultaneous acquisition of Fisher Outdoor Leisure.

The combined group attracted new brands, developed its own clothing line, expanded its distribution capabilities and strengthened its senior team; building a business with annual sales topping £75million.

We sold ZyroFisher to Palatine Private Equity in a deal that provided significant additional equity funding, and we reinvested alongside Palatine to continue to support the firm's expansion strategy.

Last year ZyroFisher acquired Royal Velo France, its first international acquisition, in a transformational deal to accelerate its expansion in Europe.

Matthew Barker, CEO of ZyroFisher, said: "LDC's financial, strategic and operational support over the past 18 months has been invaluable in the successful integration of Zyro and Fisher, allowing us to capitalise on the combined strengths of the businesses and invest for long-term growth."

> 100%

Revenue & EBITDA  
growth for Team17





LDC completed the sale of Seabrook, the iconic Yorkshire crisp brand to Calbee (UK) Ltd following a period of significant international expansion.

## SEABROOK

Since we backed a management buyout at Seabrook in 2015, the business consistently outperformed the overall UK crisp market thanks to its focus on diversification and innovation.

Seabrook also began exporting for the first time, securing distribution in China, Australia, the UAE, France and Spain.

In 2018, we completed a sale to leading snack brand Calbee UK, in a deal that sees Seabrook continue to operate as a standalone company, led by the existing management team.

Today it produces more than 250 million bags of crisps a year, with revenues having grown nine per cent and EBITDA 28 per cent during LDC's tenure.

Jonathan Bye, Chief Executive of Seabrook, said: "On behalf of the management team and everyone at Seabrook, I'd like to thank LDC for its commitment and support. Since LDC invested in our business in July 2015, the team has gone above and beyond, partnering with us to invest in our facilities and prime the business for future growth."

*"Since LDC invested in our business in July 2015, the team has gone above and beyond, partnering with us to invest in our facilities"*

Jonathan Bye,  
Chief Executive, Seabrook

In August 2018, LDC provided follow on funding to support leading pest control business Pelsis' acquisition of US-based Curtis Gilmore.



25

Acquisitions across  
LDC's national portfolio  
completed in 2018

## DRIVING GROWTH THROUGH BUY AND BUILD

Private equity investment can be a transformative catalyst for business growth when combined with a dynamic, ambitious management team and a strategy focused on achieving long and lasting value.

We know from the diversity of our portfolio – from the video gaming company Team 17 to pest control business Pelsis – that each company's growth opportunities are different and the growth strategies supported by private equity should reflect that.

One such growth strategy is buy and build.

LDC has a strong record of backing its portfolio companies in delivering acquisitive growth plans, buying and integrating complementary businesses to enter new markets at home and overseas, broaden their product and service offering and increase supply chain performance.

In 2018 we supported 25 acquisitions across our national portfolio, while more than a third of the businesses we currently back are pursuing a buy and build strategy.

**10,000**

Linley and Simpson plans to increase the number of properties managed to ten thousand in three years.

## BUY AND BUILD IN ACTION

We understand that our initial investment is just the start of a partnership and that the ability to provide follow-on funding is a key to success, particularly in times of uncertainty.

On a local level, five acquisitions in the first eight months of our partnership with Linley & Simpson has helped the group to expand geographically across Yorkshire, broaden the range of services it offers and bring ever more expertise into the business.

Insurance law firm Keoghs, part of our portfolio since 2012, is another business to embark on this type of strategy. It acquired the Insurance Business Group division of Hill Dickinson in a move that added significant depth and breadth to its service offer. The deal saw more than 400 staff transfer to Keoghs, marking an important step towards delivering on its vision of becoming the pre-eminent legal services provider for the UK insurance industry.

Buy and Build can also help drive international expansion. We recently supported Pelsis' acquisition of US-based Curtis Gilmour in a deal that substantially grew its global presence. The deal created a group that is now one of the world's leading providers of pest control products and equipment, and achieved valuable operational synergies which have provided an even stronger platform for future growth.

We also supported ZyroFisher's acquisition of Royal Velo to support their expansion into France.

On each of these examples, we've worked closely with our portfolio companies to identify potential acquisition targets and assess them in terms of fit, growth potential and synergies. With the support of our Value Creation Partners we can also help with integration planning to make sure the benefits can be realised through both short-term opportunities to achieve immediate savings, alongside longer-term goals for maximising shareholder return.

Whatever path a business takes to achieve its growth ambitions, it's our role to provide support and guidance along that journey.





**50** AMBITIOUS  
BUSINESS  
LEADERS

SUPPORTED BY

The Telegraph

THE MOST AMBITIOUS  
BUSINESS LEADER

# BACKING BUSINESS AMBITION

The LDC Top 50 Most Ambitious Business Leaders programme aims to shine a light on the inspiring individuals running the UK's most successful medium-sized businesses.

When we set out on our 2018 search for those ambitious leaders tipped for great things, it was no surprise to find some of the most outstanding leaders in the North East and Yorkshire.

Debbie Bestwick MBE, CEO at LDC portfolio business Team17 and herself an award-winning business leader, was one of the judges who helped narrow down the list. She said: *"With this kind of entrepreneurial ambition to draw on, I've no doubt that Yorkshire and the North East will continue to produce the kind of dynamic businesses that can drive prosperity in the region for many years to come."*

Among those in the Top 50 were Michael Reid, Director of Northumberland drinks manufacturer The Polar Krush Group. His bold ambition has seen the group grow its range of distinctive products and expand into Europe, the Middle East and Australia.

Jonathan Seaton, Founder and CEO of Twinkl, an online educational publishing house headquartered in Sheffield. Its disruptive business model has seen the business double in size every year, employing hundreds of teachers to create high-quality materials used by educators all over the world.

*"I've no doubt that Yorkshire and the North East will continue to produce the kind of dynamic businesses that can drive prosperity in the region".*

Debbie Bestwick MBE  
CEO, Team 17

Gary Hunter, Founder and CEO of County Durham's Redu Group, an innovative shopping influencer business with 1.7 million followers. As well as leading a fast-growing enterprise based on innovation and a deep understanding of its audience demographic, he mentors business leaders across the North East.

Advanced Supply Chain's CEO Mike Danby was singled out for his drive, having turned a tiny Yorkshire firm into an international logistics giant that works with big-name brands, employing 850 staff at its Halifax base and other offices worldwide.

Finally, John Minion, Co-Founder and CEO of Yorkshire Wildlife Park had the 'crazy idea' to open a zoo at a former equestrian centre near Doncaster. It now sees 750,000 visitors a year and the former safari park elephant keeper is buying more land to expand the zoo's offer.

The wealth of talent we found meant we produced a supplementary Ones to Watch list, which shined a spotlight on leaders from the region tipped for great things.

It included Rupert Broome, Group Managing Director at Killgerm Group, Martin Port, CEO of BigChange Darren Jobling, CEO of Newcastle virtual reality firm ZeroLight, Ryan Maughan from Cramlington powertrain components manufacturer Avid Technology, Sarat Pediredla of Newcastle app firm hedgehog lab and Ian Griffiths, Co-Founder of Newcastle's WhoCanFixMyCar.com.

Anyone interested in getting involved in the programme, can find out more at: [www ldc co uk / Top50YNE](http://www ldc co uk / Top50YNE)



# A REGION OF OPPORTUNITY

While on the face of it the North East and Yorkshire economies might not be demonstrating the same rates of growth as some other UK regions, it is home to a resilient and determined business community that is achieving great things. And, we're excited about the prospects for the nearly 2,000 mid-market businesses based here.

There are a number of significant initiatives taking place that will help drive our future prosperity. Among them is the relocation of Channel 4 to Leeds, which will further establish the city as a hub for the creative industries and see its already thriving independent production sector boom.

And an ambitious program of infrastructure investment, not least plans for improved transport connections, across the region will help to connect the region with the talent and markets it needs to get ahead.

We expect this to provide benefits across the diversity of the region's businesses including food & drink,

healthcare and manufacturing. And one area we're particularly excited about is the growth of tech-related businesses based in Yorkshire and the North East.

The sector may represent a diverse set of businesses, but the pace of change, significant impact of digitisation and drive for growth are common characteristics. Many firms not only have their sights set on expansion at home, but internationally too.

Mandata and NBS are just two examples of businesses in our regional portfolio that are making strides; helping their clients across property, construction and transport to benefit from





technology solutions – and we're proud to support the ambitions of this home-grown talent.

This is also one of the most affordable areas to grow a business and the region's highly-regarded universities mean it has a strong pipeline of the kind of skills that growing tech firms need to thrive.

We're convinced that these ingredients give the region's digital economy a real competitive advantage and have the potential to rebalance the UK economy, bringing ever more prosperity to Yorkshire and the North East.

Throughout this update we've shared a selection of the region's most impressive growth stories – both from across our portfolio and those we discovered as part of our Top 50 Most Ambitious Business Leaders programme – and they truly demonstrate the diversity of our regional economy.

These businesses, and more importantly the individuals that are driving them forward, serve to confirm that the region can and does compete and win on the national and international stage.

The support of a private equity partner can be fundamental to helping ambitious management teams to unlock the potential in their business and accelerate growth, and LDC sees a unique opportunity here. We are committed to our support of the region's mid-sized firms.

**2,000**

mid-market businesses  
in the region



BACKING AMBITION

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