



GROWTH JOURNEY

ATCORE



The Ambition

Many of us will visit travel websites to book holidays, but few will fully appreciate the technology that sits behind the brands and makes it all possible.

ATCORE Group does just that. The business is a former division of Anite plc and creates high performance reservation and e-commerce platforms that support online travel companies.

The management team, led by CEO Mike Kingswood, had their own vision for the business and looked for external funding to help make those ambitions a reality.

A Strategic Partnership

In May 2014, LDC backed Mike Kingswood in leading the £45million management buyout of Anite Travel, which is now known as ATCORE Group ('ATCORE'), from its listed parent, Anite plc.

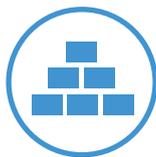
Private equity was identified by the business as the most appropriate route for growth in order to access funding for new product development and possible acquisitions, as well as strategic support to break into new markets and invest in its operations.

The deal saw LDC Director Andy Lyndon join the board of the business. The LDC team also brought in experienced Chairman Mark Mayhew alongside Non-Executive Director Neil Morris, who has held senior management positions with some of the UK's leading travel companies, including Thomas Cook, Tui Travel and First Choice.



Central to the development of the business was LDC's Value Enhancement Group; a dedicated in-house team of industry professionals that work with portfolio companies to help them identify and execute opportunities to outperform and increase shareholder value.

The team immediately began working with management once the deal completed to implement a 100 day plan to assist the business in identifying, tracking and executing key projects within the first three months following investment.



Building a Stronger Business

One of the first major initiatives was to rebrand the business and create a new standalone identity that was distinct from its previous parent. The relaunch of the firm as

ATCORE then paved the way for the strategic development of the company.

In particular, LDC then worked closely with the management team to review its existing operations and helped them undertake a market and competitor mapping exercise. This allowed the business to refine their future growth plans against a clearly defined set of market opportunities.

Historically focused on larger Tour Operators, the new plans sought to diversify and develop new products for more specific areas such as specialist tour operators and holiday parks. During 2015 ATCORE launched its revolutionary ATCOM Search platform which delivers significant performance and functional gains over traditional methods. The business has also now launched the ATCOM Retail Browser which leverages the firm's e-commerce expertise to bring a front-end retail system alternative to traditional 'green and black screens' for travel agents.

But, organic growth has not been the only focus for the team. In December 2015, after conducting a thorough competitor and capability analysis, ATCORE acquired TigerBay Software, the provider of dynamic and flexible tour operating platforms. The transaction has bolstered ATCORE's offering with the best next-generation platform for small and mid-size tour operators and specialists.



Creating Value

Since LDC's investment in November 2014, ATCORE has established itself as one of the leading technology providers in the travel sector, boasting some of the biggest names

from the industry among its client base, including Thomas Cook, TUI, First Choice and Centre Parcs.

Despite the focus on creating a new standalone identity, revenues have increased year on year and profit has seen double digit growth.

In 2016 LDC supported the business with new strategic hires made to the management team, with Dave Cruickshank joining the business and being appointed as CEO. Mike Kingswood, previous CEO, moved into a non-executive position. Under Cruickshank's helm, ATCORE thrived as the business capitalised on a thriving travel industry and an insatiable demand for best-in-class booking platforms.



Outcome

In November 2017, LDC completed the sale of ATCORE to Inflexion Private Equity. Three years on from the original investment, ATCORE recorded revenues of £26million, and grew EBITDA to £8.2million. The sale generated a money multiple return of over 3x for LDC.

"When ATCORE embarked on its new journey as an independent business, it needed an experienced investment partner that would be able to offer more than just funding.

"LDC's guidance has been instrumental in seeing through what has been an incredible period of transformation and growth for the company."

Dave Cruickshank, CEO, ATCORE



MBO



Key acquisition



Year partnership



Money multiple

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