



PRIVATE EQUITY FOR YOU AND YOUR BUSINESS

As the private equity arm of Lloyds Banking Group, LDC's approach is different.

We put management teams at the centre of what we do – this has proved successful for both LDC and the companies we have invested in over the last nearly 40 years. No-one knows your business better than you. That's why the ambitious management teams we back continue to lead their businesses – taking them from strength to strength.

With the right balance of professional support, advice and guidance, we provide flexible capital as either minority or majority shareholders, to help you deliver your key objectives.

A partnership with LDC is flexible enough to withstand uncertain times, and our investment and experience can help you to create additional value, building a stronger and more resilient business for the long term.

WWW.LDC.CO.UK



ABOUT LDC

COMMITTED

As part of Lloyds Banking Group, we have £1.2bn to invest in UK SMEs in the next three years.

WE UNDERSTAND BUSINESS

With 90 companies from every sector of the UK economy in our portfolio, we know an ambitious business leader when we meet one.

INVEST THROUGH THE CYCLE

In 2008-2009, LDC backed 32 management teams – four times more than any other mid-market private equity firm.

EXPERIENCED

More than 600 management teams have chosen to partner with LDC in the last nearly 40 years.

WE ARE WHERE YOU ARE

Our teams are based in 12 locations across the UK, which gives us a different perspective to other private equity houses.

ACTIVELY ADDING VALUE

We help increase shareholder value for our portfolio companies in a variety of ways, through our Value Creation Partners team.

GROWTH FOCUSED

We look for growing companies with turnover from £5m and actual or forecast profits of at least £1m per year.



From the beginning LDC made it clear to us that they wanted to back a management team and allow that team to run the business. They were true to their word.”

Tim Warrillow, CEO, Fever-Tree



WHY CHOOSE PRIVATE EQUITY?



Private equity helps you open up growth opportunities without losing control of your business. The combination of investment and support means private equity can help you achieve your ambitious growth plans, whether they're international, organic or acquisitive, and there are many different reasons to choose private equity investment:

TO SUPPORT AN OWNERSHIP CHANGE

- Enabling an existing management team to increase their shareholding in the business they lead
- Allowing other shareholders to divest – fully or partially
- Opening up succession planning or retirement options

TO HELP OWNERS TO DE-RISK BECAUSE OF A CHANGE IN PERSONAL CIRCUMSTANCES OR PLANS

- Selling a minority shareholding to realise value while having the option to retain control

TO CREATE A JOURNEY TO EXIT

- Wanting to exit but concern around selling to trade in the short-term
- Private equity as a stepping stone to a full exit via trade sale or IPO

EXAMPLE SITUATIONS MIGHT INCLUDE:

Managing Director of a growing £15m turnover business wants to accelerate growth and buy out another shareholder.

Founder of a £5m turnover business can see an opportunity to acquire a competitor but needs capital and support.

CEO of a £20m turnover business looking to release some equity through a minority investment by a supportive partner.

Founder of a £10m turnover business looking to plan their exit from the business in five years' time.

OUR APPROACH TO INVESTMENT

- We have £1.2bn to invest in UK mid-market businesses over the next three years.
- We typically invest between £5m and £100m in each company we back, including follow-on funding after the initial investment.
- We've supported over a third of our portfolio companies with follow-on funding, typically to help them fund acquisitions as part of buy and build strategies.
- We support businesses through the cycle and, thanks to our ownership structure, we're better able to design flexible deal structures than many of our peers.
- Our investments include minority or majority shareholdings, combined equity and debt structures, and solo or multiple investors.



LDC's investment provides both the financial backing and strategic support to allow us to expand capacity in some of our existing stores, roll out new services nationally and make selective further acquisitions, helping us to take Duncan & Todd to the next level."

Frances Rus, CEO,
Duncan & Todd

OUR INVESTMENT CRITERIA

- > An exceptional and committed CEO
- > UK headquartered business in any sector
- > Clear and ambitious growth strategy
- > Track record of year-on-year growth
- > Profits (EBITDA) of at least £1m per year
- > Seeking £5m - £100m investment

BACKING BUSINESS AMBITION



PURE COTTAGES GROUP

NORTH WEST HOLIDAY COTTAGE BUSINESS

- CEO Paul Liddell wanted to grow the business more quickly through acquisition, and realise some of the value he'd created.
- In 2017, when the business had a turnover of £3m, we supported Paul in a management buyout by investing £11m.
- The business made five acquisitions and completed a digital transformation strategy to increase the value of the business by 252%.

"LDC's investment and support gave us the confidence, expertise and financial firepower to pursue an ambitious acquisitive growth strategy."

Paul Liddell, CEO, Pure Cottages



MINI-CAM

NORTH WEST PIPELINE INSPECTION BUSINESS

- When LDC backed the business in 2015, it generated revenues of £7m.
- A minority investment enabled the founder to realise some of the value he'd created in the business and incentivise the broader management team.
- LDC helped the management team to expand internationally, launch multiple new products and double its revenue.
- Following a two year partnership, LDC completed the sale of Mini-Cam to Halma plc in a deal that valued the business at up to £85m.



GIACOM

NORTH WEST SPECIALIST CLOUD SERVICES MARKETPLACE

- LDC supported a management buyout in 2016 when the business was turning over £6m, allowing the founder to realise some of the value he'd created and incentivise the broader management team.
- We worked with the management team to invest in the company's proprietary technology platform, launch new products and strengthen its management team resulting in turnover doubling to £13.9m.
- In 2017, LDC completed the sale of Giacom to Livingbridge at which point Nick chose to exit the business.



HILL BISCUITS

NORTH WEST BISCUIT MANUFACTURERS

- In 2017 the management team turned to LDC to complete a management buyout of the firm from the Bennet family who had originally bought the business out of Rowntree in 1980.
- At the point of LDC's investment, the business was approaching revenues of £20m.
- LDC continues to support the management team as they work to scale the business through the expansion of production capacity and development of new products.



TEAM17

YORKSHIRE & NORTH EAST VIDEO GAMES COMPANY

- When LDC partnered with Co-Founder & CEO Debbie Bestwick in 2016, the business had a turnover of £13.5m.
- LDC provided a £16.5m minority investment to help acquire a complementary business and fuel the firm's growth.
- Following a 100% increase in revenues and EBITDA, the business completed a £217m IPO on London's AIM market.

"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."

Debbie Bestwick MBE, CEO and Co-Founder, Team17



LINLEY & SIMPSON

YORKSHIRE & NORTH EAST ESTATE AGENCY

- When LDC-backed founders Will Linley and Nick Simpson, their business was generating turnover approaching £10m and they were looking to build on their success to-date and accelerate their buy and build strategy.
- They partnered with LDC through a £10m development capital transaction.
- The first acquisition completed within three months of our investment, and the team have just delivered acquisition number 14 to increase the number of properties managed by the group to 10,000 (and counting!).
- LDC continues to support the firm's acquisitive growth strategy.



ENSEK

MIDLANDS SOFTWARE SUPPLIER TO UK ENERGY PROVIDERS

- In 2017, LDC backed CEO Jon Slade and his team in a management buyout, with a minority investment.
- At the point of investment, the business had a turnover of just over £3m. Within one year, revenue had doubled.
- With LDC's support, ENSEK is continuing to build out market leading capability, including new contract wins and a European acquisition.



PENN PHARMA

SOUTH WEST & WALES PHARMACEUTICAL MANUFACTURING COMPANY

- LDC invested in Penn in a £30m deal at a time when turnover totalled £17m.
- We worked with management to stabilise the business during a difficult trading period, including the provision of further funding to support the development of a new £14m manufacturing facility.
- Seven years after the initial investment, turnover increased to £30m and EBITDA to £9m.
- LDC exited to Packaging Co-ordinators Inc, a USA-headquartered global leading packaging services provider in a £127m deal.



NODE4

MIDLANDS IT AND COMMUNICATIONS PROVIDER

- In 2013, LDC backed Andrew Gilbert in a management buyout to support a buy and build strategy.
- At the point of our investment the business had a turnover of £13m.
- The business grew from £13m to £28m and made three acquisitions over the next four years.

"The financial backing and strategic guidance we have received from LDC over the past three and a half years has been fundamental to our success and growth."

Andrew Gilbert, Chief Executive, Node4



COMMSWORLD

SCOTLAND TELECOMMUNICATIONS AND ISP PROVIDER

- In 2019, CEO Ricky Nicol chose to partner with LDC. Our investment enabled the exit of a number of shareholders and help the existing management team to expand across Scotland and the UK.
- At the point of investment, Commsworld's revenues were around £20m.

"We had the choice of a number of options, but we have built a strong relationship with LDC who share our vision for the business and can provide the right balance of support, experience and contacts to help us deliver."

Ricky Nicol, CEO, Commsworld



ZIP WORLD

WALES OUTDOOR ADVENTURE BUSINESS

- In 2018, Sean Taylor and his management team secured a significant minority investment from LDC in a deal that valued the business at £45m.
- Turnover at the time of the investment was in the region of £14m.
- The investment provided an exit for a number of inactive shareholders and supported the growth strategy of the business with the focus on the rollout of new sites across the UK and beyond.
- Our Value Creation Partners continue to work with the team to support developments with pricing, digital transformation and operations.



DUNCAN & TODD

SCOTLAND INDEPENDENT OPTICAL PROVIDER

- In 2018, CEO Frances Rus secured a £15m investment from LDC to support a buy and build strategy that had stalled under the previous shareholders.
- At the point of investment, the business had a turnover of £17m, increasing to £19m during the first year of our partnership.
- Since our investment, Duncan & Todd has completed six acquisitions, bringing the total number of branches to 41 across Scotland, from the Borders and central belt to the Highlands and Islands.



MARTIN AUDIO

LONDON AUDIO EQUIPMENT PROVIDER

- In 2018, Managing Director Dom Harter led a management buyout to carve Martin Audio out of the wider Loud Audio group.
- He chose LDC as his partner and we invested £12m alongside the management team.
- During our partnership, the business grew revenues from nearly £20m to £25m.
- In 2019, Martin Audio was acquired by AIM-listed leading UK audio equipment manufacturer Focusrite plc, in a £39m sale.



FEVER-TREE

LONDON DRINKS BRAND

- While Fever-Tree is a world-recognised brand today, back in 2013 when we provided a £17m minority investment, the business had a turnover of just £16m.
- The transaction enabled a number of early stage investors to exit and provided management with the opportunity to realise some of the value they had created, while maintaining control of their business.
- We helped the management team to drive new product launches and international expansion, as well as helping with operational improvements.
- In 2014 the business completed an IPO and in 2016 LDC sold its remaining shareholding when the business was valued at more than £1bn.



CAPITAL ECONOMICS

LONDON MACRO-ECONOMIC RESEARCH BUSINESS

- LDC provided a minority investment in 2014, when the business generated a turnover of £16m.
- The funding provided a partial cash out for the founder who was looking for a less hands-on role in the business.
- The business grew revenues and expanded to New York and Sydney, increasing the value of the business to £95m.

"LDC have professionalised things... maybe we would have done a lot of this anyway, but it wouldn't have come naturally to us."

Roger Bootle, Chairman, Capital Economics



BOFA INTERNATIONAL

SOUTH FUME EXTRACTION AND FILTRATION BUSINESS

- In 2015, LDC supported the £23m management buyout of BOFA when the company had a turnover of £16m and EBITDA of more than £2m.
- During the partnership, BOFA expanded to Europe, invested in its US operation and increased its employee numbers by more than 50%. Revenues doubled, increasing the value of the business to £90m.

"The LDC team played a significant role in helping us achieve the success we did. Crucially, though, their input was always supportive and encouraging, rather than mandatory or demanding."

Tony Lockwood, Chief Executive, BOFA International



PROPERTY SOFTWARE GROUP

SOUTH SOFTWARE SOLUTIONS PROVIDER

- LDC backed Mark Goddard and his management team to become shareholders in the business they led.
- At the time of the management buyout, revenues totalled £10m and the company made £2m EBITDA.
- LDC helped the management team to develop their cloud-based offering and make acquisitions.
- During the partnership, sales grew 56% and EBITDA doubled.
- In 2016, LDC and management agreed the sale of PSG to Zoopla Property Group Plc. for £75m.



AKER SYSTEMS

SOUTH SECURE CLOUD PROVIDER

- Aker Systems was founded in 2016 by a team of experienced technology professionals and is now a high-growth technology company, banked by Lloyds Banking Group.
- In July 2020, Aker Systems secured a significant minority investment from LDC as it targets further expansion to support the digital transformation of organisations across the UK.
- LDC is backing the company's existing management team as they further invest in research and development relating to their proprietary software and services, and continue to grow their team of highly experienced experts.

LDC and private equity can help you take the next step in your business growth journey. We are always keen to meet ambitious business leaders, so contact your local team to start a conversation.

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Authorised and regulated by the Financial Conduct Authority no. 147964. Part of Lloyds Banking Group.
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