



# THE YEAR AHEAD

JANUARY 2022



# HELPING TO BUILD GREAT BUSINESSES

Welcome to the latest edition of The Year Ahead – an annual update on the achievements and ambitions of our business and the management teams we support.

At the start of 2021, I remember reflecting here how the previous year had been like no other, given the far-reaching consequences of the pandemic and Britain's exit from the European Union.

Most business owners and leaders would probably agree that 2021 turned out to be another year of unprecedented change and challenge.

However, the last 12 months has also brought opportunity, and I've witnessed first-hand both the resilience and growth mindset of portfolio companies and our teams across the UK.

The successes of the management teams we support are as inspiring as they are humbling. Countless [examples](#) can be found in the following articles, each one proof that equity investing – when done right – can truly help business leaders to realise their ambitions and grow great businesses.



Toby Rougier,  
Chief Executive of IDC

# LDC pledges to back at least **100** mid-market companies over the next five years.

We have a broader role in the UK economy, as one of the UK's most active investors.

I'm a firm believer that the mid-market – the army of medium-sized companies operating across the UK – will be critical to the future of the UK. It is the backbone of British business and the engine room of our economy, teeming with talent and packed with potential. Given their ability to scale, these are the companies that, with the right support, can turbo-charge the recovery.

That's why we are accelerating our investment activity from 2022, **with a pledge to back at least 100 new mid-market companies over the next five years.** Bringing LDC's approach to support more business leaders will help to create the world-class businesses that are vital to our growth and our vibrant local economies.

Having already created 20 roles across our own business in the past year to drive growth, we're still hiring more talent as we continue to gear up to deliver on our commitment.

Whilst our role in supporting growth is clear, our investment activity can also make a meaningful contribution to the significant environmental and social challenges the country faces.

So, we're taking some important steps to make sure our investment activity has the greatest positive impact possible. Our own ESG commitments, which build on those of our parent company Lloyds Banking Group, are laid out [here](#), and will help to ensure LDC remains a force for good.

There is much to do. But as we face into the year ahead, with a commitment to grow both our own business and the businesses we support, I couldn't be more confident of the positive difference we can make together.

Thank you all for your partnership over the past 12 months and here's to a successful 2022.

**Toby Rougier**  
Chief Executive  
LDC





# THE YEAR IN REVIEW

The last 12 months have marked another standout year for LDC, with our teams deploying more than £400m of investment to support the growth ambitions of new management teams and our portfolio companies.

We backed 19 new management teams across the UK in 2021, from the carve-out of British security systems manufacturer [Texecom](#) in the North, to our investment in specialist IT provider [Sohonet](#) in the South, and healthcare business [Kingswood](#) in the Midlands. Our diverse investments up and down the country once again underline the value of our regional model combined with our deep sector experience.

Across our existing investments, we continued to focus on helping management teams to scale, diversify and strengthen their businesses.

We supported our portfolio companies to make 65 acquisitions, including the sixth bolt-on since our investment for mobile comms business [Onecom](#), and the third for water pump and pressure solutions business [Stuart Turner](#).

Our investment teams worked alongside our [Value Creation Partners](#) – who provide specialist strategic and operational support – helping dozens of portfolio management teams to address new challenges and opportunities.

Last year also saw us exit 18 partnerships, providing a successful outcome for management teams and a new partner for their next chapter of growth. Highlights included [SRL Traffic Systems](#) which more than doubled revenues by increasing its fleet, adding new depots and opening a new innovation and technical centre of excellence. We also exited healthcare communications consultancy [Lucid](#) after helping the business to grow revenues by 145%.

On average, the businesses we exited in 2021 increased revenues by 64% and grew their employee numbers by 60% during our partnership - proof of our value-adding approach to investing.

Working in partnership with these portfolio company management teams, we generated £870m in proceeds with an average money multiple of 2.5x.

## SUPPORTING BRITISH BUSINESS

**£400m** invested  
in 2021

**19** new management  
teams backed

**65** portfolio acquisitions  
supported

**18** portfolio companies  
exited of these:

**64%** average sales growth

**60%** average growth in headcount

**£870m** proceeds generated



**LDC's local presence in the North East was important to our close working relationship with the team and it has been incredibly helpful to draw on their tech and software expertise."**

Chris Rigg  
CEO, Mandata

# OUR COMMITMENT TO RESPONSIBILITY

We have been supporting the growth of the UK mid-market since our formation in 1981, and our parent company Lloyds Banking Group has served Britain through its products and services for more than 320 years.

ESG is a part of our DNA and we are committed to ensuring our actions and investments deliver lasting positive impact.

As we embed ESG into everything we do as a company, employer and investor, we aim to lead by example as well as to support our portfolio

companies to grow sustainably and contribute to their communities and the environment.

This is a long-term responsibility, and our commitments are helping to focus our own efforts and those of our portfolio.



## ENVIRONMENTAL

- » We will ensure our own operations are net zero by 2030
- » We will support our portfolio companies to reduce their emissions by 50% by 2030, on a path to net zero by 2050 or sooner



## SOCIAL

- » We are proactively addressing diversity and inclusion in our own business and across our portfolio
- » We will maintain our charitable commitments, contributing £2.5m over the next 5 years
- » We will continue to invest in regional economies through our portfolio and employee base
- » We will increase our support for the UK mid-market, investing in at least 100 companies in the next 5 years, helping them to increase job creation by 60%



## GOVERNANCE

- » We continue to champion the principles of good corporate governance at LDC and across our portfolio
- » We are training employees and portfolio companies on ESG-related matters
- » We will further embed ESG into LDC's strategy, policies and core business processes



## PROUD TO INVEST IN COMPANIES THAT MAKE A DIFFERENCE

From financial services and support services, retail and tech, to healthcare and industrials, we're proud of the positive impact our portfolio companies are making in their communities across the UK and towards a greener future. We are committed to supporting them through investment, guidance and collaboration.

### SIGMAT

Sigmat's alternative approach to traditional building techniques helps its customers drive a 20% reduction in carbon. The business does not send waste to landfill and the 3% of waste that cannot be recycled is turned into electricity and fed back into the grid. During our partnership, Sigmat committed to becoming carbon neutral by 2035.

*"It's been a pleasure to work with LDC over the last few years. With their support we've grown our business with our clients and the environment at the heart of our business strategy."*

Mark Eburne, CEO, Sigmat

### FOREST HOLIDAYS

With the support of LDC over the past nine years, Forest Holidays has expanded to new locations, and increased its positive impact. The sustainable tourism business which owns and manages eco-cabins and treehouses across Britain's National Forests contributes to its local economies and is estimated to generate around £2m for each area it operates in.

*"I would like to thank LDC for their faith in investing in the Company in 2012 and for being a very supportive partner."*

Bruce McKendrick, CEO, Forest Holidays

### TEXTHELP

As a global leader in cloud-based assistive technology solutions, Texthelp's mission is to help people with disabilities understand and be understood. With the support of LDC, Texthelp grew into a market leading facilitator for inclusivity. It has now supported over 40 million students and employees across 150 countries to reach their full potential.

*"Our partnership with LDC helped us go further, faster. The team provided the investment, support and expertise to help us accelerate a truly differentiating digital transformation in a relatively short space of time."*

Martin McKay, CEO, Texthelp





## INVESTING IN POTENTIAL

Young people interested in business and entrepreneurship are critical to the future of the UK economy, yet the last few years have been more challenging for this generation than any other.

As part of our commitment to tackling some of the most significant social challenges facing the UK, we partnered with The Prince's Trust in 2019; creating [Backing Youth Ambition](#) to help young people to start their own business.

We have so far supported more than 1,600 young entrepreneurs through funding, volunteering and fundraising activities across our regional teams and portfolio companies.

In October, we supported The Prince's Trust's Brilliant Breakfast campaign, uniting to support young women and champion gender equality in the workplace. LDC hosted a virtual wellbeing breakfast for female employees which was accompanied by a bespoke breakfast box from a Prince's Trust-supported business. And portfolio company, [Foundation SP](#) hosted a live event in London on the topic of Female Focus: Storytelling, Empowerment & the Power of Perspective.

Looking ahead, we are excited to continue building the next generation of business leaders with The Prince's Trust and to further our partnerships with local charities in the communities in which we work.

# TEN YEARS OF IMPACT

Over the last 40 years, we have backed more than 650 businesses with more than £5.5bn of investment, supporting management teams across the UK to fulfil their growth ambitions and build great businesses.

Enabling growth in a single business or across a year of investments is one thing, but sustaining this throughout a decade is quite something else. Since 2012, we've helped many mid-market businesses to have a positive impact on the UK's economic growth, employment and regional development.

## GROWING THE MID-MARKET

The businesses we have supported since 2012 on average grew

**3 times**  
more than the national mid-market average.



## CREATING EMPLOYMENT

Since 2012, the businesses we have invested in created more than

**10,000 jobs**  
during their partnership with LDC.



## CONTRIBUTING TO UK GDP

The growth of LDC-backed businesses contributed an extra

**£2.1bn**  
to UK gross domestic product (GDP) in the last ten years.



## DRIVING REGIONAL ECONOMIES

In the last ten years, LDC has invested more than

**50%**  
of its capital in businesses in the Midlands and the North.



# LDC & ME

Ambitious partnerships are at the heart of what we do. But don't just take our word for it. Hear directly from the business leaders we have supported about what it's like to partner with LDC.

## GROWING THROUGH ACQUISITION

After growing health marketing agency Lucid Group for 10 years, Co-founder [Jan Steele](#) knew she needed to secure investment to support her acquisitive vision, but initially she was set against private equity.

"I had heard some really bad things," she says. But when Jan realised that she could use private equity to grow while staying in control of her business, she explored a potential partnership with LDC. "When we met LDC, the chemistry was there. It felt like we could develop a true partnership where they would back us to grow the business."

Our four-year partnership supported two acquisitions and helped Jan to grow revenues from £12m to more than £29m.

## REACHING ONE BILLION PEOPLE

Being bold and brave are important attributes for any business leader, and it's something Co-founder [Martin McKay](#) has in abundance.

Our partnership backed Martin with the investment he needed to build towards his ambition to reach one billion people around the world with Texthelp's technology.

"Initially I was a little concerned that a new investor might try to take over, but LDC made it clear they weren't about to break something that was working well. They weren't buying stock and shares; they were backing the management team and our plan," adds Martin.

Our 18-month partnership supported a 40% revenue growth to £27m and a strengthening pipeline of prospective new customers.

## BUILDING A GLOBAL BRAND

When [Tracy Lewis](#) joined lingerie maker Eveden, she spotted an opportunity to take the Freya and Fantasie brands across the world.

We backed Eveden in 2006 to support Tracy's international growth drive, and our partnership helped her to see and do things differently: "I'm not sure we could have got to where we did without LDC. We would have grown but not at the rate we did. We needed the support – and the push," she said.

During our six-year partnership we helped the business to roll-out its key brands in the US, Europe and Asia, and in 2012 Eveden was acquired by the Japanese brand Wacoal for £148m.

## DATA AND TALENT-DRIVEN GROWTH

The concept of adding value is a common thread in many of our partnerships. When serial entrepreneur [Gehan Talwate](#) joined aviation insurance firm – Airclaims – we worked together to revolutionise the business model through the use of data and the addition of new talent.

"LDC pushed me to hire some brilliant people to help make that transition to a data-driven business possible. It's really important for all CEOs to be reminded: you are not the smartest person in the room – at least you shouldn't be if you've got your hiring right. Get the best people in and give them room to fly," he said.

During our four-year partnership the business increased revenues by 300% to £12m.



**When we met LDC, the chemistry was there. It felt like we could develop a true partnership where they would back us to grow the business.”**

Jan Steele  
Co-founder, Lucid Group



# THE LDC TOP 50 MOST AMBITIOUS BUSINESS LEADERS 2021

Now in its fourth year, [The LDC Top 50 Most Ambitious Business Leaders](#) programme, supported by The Times, seeks to uncover the UK's most exceptional entrepreneurs.

This year's Top 50 hail from every corner of the country. They operate across a range of industries, collectively employ 9,500 people and together generate annual revenues of £1.2bn.

From pet food connoisseurs to IT whizzes, and engineers to marketers, each business leader has a personal mission to make a difference, and all prove that even in the most difficult of times, businesses can find opportunities and grow.

All of The Top 50 awards were hotly contested, and each winner [has their own story](#). [Emilie Vanpoperinghe](#) was named this year's Most Ambitious Business Leader for 2021. She founded Oddbox in 2016 and since then the company has grown to deliver more than three million boxes of surplus, unwanted or misshapen fruit and vegetables to customers across the UK. She is aiming to save 150,000 tonnes of food waste by 2025.

## THE TOP 50 JUDGES



**Sara Davies**  
Founder and Creative Director of Crafter's Companion and current Dragon on Dragons' Den



**Tracy Lewis**  
Former international CEO of Wacoal



**Carl Castledine**  
CEO of Away Resorts



**Rebecca Burn-Callander**  
Resident editor for The LDC Top 50 Most Ambitious Business Leader programme



**John Garner**  
Managing Partner at LDC



IN PARTNERSHIP WITH  
THE  TIMES

THE  
TOP 50

2021



**My ambition to keep scaling Oddbox throughout the UK and into Europe, and expanding our proposition, is rooted in the fact that food waste is a massive contributor to the climate crisis.”**

Emilie Vanpoeringhe  
Founder, Oddbox



## THE WINNERS



### THE MOST AMBITIOUS BUSINESS LEADER

**EMILIE VANPOERINGHE**  
ODDBOX



### THE SUSTAINABLE IMPACT AWARD

**ROB AND MART DRAKE-KNIGHT**  
TEEMILL



### THE INNOVATION AWARD

**PRAVEEN KARADIGUDDI**  
SCRUMCONNECT



### THE PEOPLE FIRST AWARD

**ANDY GOUGH**  
EQUALITY SOLUTIONS



### THE GREEN DISRUPTOR AWARD

**ROD NEALE**  
CIRCULAR COMPUTING



### THE DIGITAL DISRUPTOR AWARD

**TRINNY WOODALL**  
TRINNY LONDON



### THE INTERNATIONAL AMBITION AWARD

**CHRIS BAGNALL**  
TRANSMISSION



### HIGHLY COMMENDED: ONE TO WATCH AWARD

**DR ERIC MAYES**  
ENDOMAG

If you know an ambitious business leader who should be featured in the 2022 programme, we would love to hear from you.



**Having backed the ambitions of British businesses for more than 40 years, we know just how important it is to celebrate the individuals behind these firms.”**

John Garner  
Managing Partner, LDC

## CELEBRATING BRITISH BUSINESS EXCELLENCE

We are proud to have sponsored The LDC Entrepreneur of the Year Award at this year's [Lloyds Bank British Business Excellence Awards](#).

This award celebrates an inspiring and visionary leader whose compelling ideas have translated into financial success, and it was a pleasure to see Simon Morrish, CEO at outdoor maintenance and landscaping firm Ground Control, be crowned this year's winner for his ongoing success in British business.



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