



## Supporting Management in a Mature Business to Maintain Success



### Background to the deal

**Elysian Capital acquired Volvox Group in November 2011, through a secondary management buy-out, from LDC. Headquartered in Leeds, the group had originally been formed in 2005 as an MBO of a group of non-core businesses from Catalina and consisted of four companies.**

Ring Automotive, the largest company, designs, sources and distributes a wide range of predominantly electrical products to the European automotive aftermarket and, through breadth of range and NPD, had established itself as the category manager for bulbs and auto electricals in the UK.

BMAC designs and manufactures lighting products for train and bus OEMs.

Van-Line which also trades as The Workshop Warehouse is a distributor of consumable products to independent workshops and franchise garages

Arctic is a plumbing supplies business and the UK market leader in pipe freezing.

Management were keen to find the best fit private equity partner to work with on the next stage of their journey.

Phil Greves, Elysian's partner based in Yorkshire, was introduced to Volvox through the company's advisors, who were also based in Leeds, and Elysian gained exclusivity due to Elysian's partnership approach and focused support offered.

Volvox represented an attractive acquisition for Elysian due to a mix of factors including:

- its resilience through challenging economic times, helped by a high level of non-discretionary products (particularly auto bulbs)
- an experienced senior management team
- a track record of new product development
- clear growth opportunities in each of the individual businesses.

Elysian's partners also had relevant experience in industries with similar supply chain challenges as well as in the automotive sector itself.

“During the economic downturn, Volvox had shown its resilience and we felt the group's focus on product innovation, value for money and customer service would allow it to prosper as conditions improved and the average age of the car park got older increasing Ring and Van-line's core market of 'out of warranty' vehicles ”

James Cunningham, Operating Partner  
Elysian Capital, Chairman Volvox Group

“The business was at a crossroads and needed to maintain its entrepreneurial ability whilst becoming more structured and Elysian's experience would support this. Working with them was definitely a partnership. Both sides could say what they thought and the other would take it on board ”

John Hall, Volvox CEO

“The Elysian partners’ previous experience added to the skill set of our business and brought external insight to bear. The monthly board meetings were constructive, with penetrating questions asked by both James and Richard which helped us develop the right solutions collaboratively”

Kirstin Hawkins Finance Director

## Providing challenge and support to drive continued growth

Given the company was well established, Elysian’s role was to support management and provide ongoing “challenge” to benefit all stakeholders.

New product development continued with investment in the core product categories.

Elysian introduced an alternative strategic planning process to create new insights in the business. This led, among other things, to a new organisational structure within Ring with customer facing business units focused on UK Retail, UK Trade and International.

Elysian supported the Chief Executive in recruiting a Group Finance Director and Managing Director for BMAC on the retirements of the incumbents and in strengthening the second tier, including filling the new role of Head of UK Trade with an external hire. A new psychometric assessment process became a standard approach for senior hires.

International sales continued with additional accounts and territories opened up in Eastern Europe and Latin America.

Arctic Products, a supplier of consumables for the plumbing and heating markets was sold in July 2014 to leave the group focused on the automotive and transport markets.

Management improved cash generation through a review of working capital and supply chain. Consequently, the company paid off all senior debt ahead of schedule and was debt free within four years.

## The Exit

In June 2015 Elysian and management sold the group to Rubicon Partners, an investment partnership focused on the acquisition of industrial businesses in Europe and North America. John Hall, Volvox CEO, retired at completion.

“When a company is sold, it is always a possibility that the PE owners get one outcome and management a different one. It was apparent that Elysian were concerned with management’s position and ensured we had an equitable position”

Peter Harding Managing Director Volvox Consumables Division