

Kelling Group Limited



“In 2014, given increasing industry focus on health and safety, Elysian could see significant potential in Kelling given its market leading position in VMAPs and recent expansion into welfare units. We have been on a tremendous journey with the group, helping management build a fantastic and sustainable business. As genuine partners in the business, Management and Elysian were able to tackle the business challenges and opportunities together and this made for a close-knit, formidable and progressive team.”

Tom Falcon Elysian Partner

Continued Investment, Professionalisation and Repositioning

Background to the deal

In August 2014 Elysian Capital supported the management buy out of two hire businesses, Access Hire Nationwide (AHN) and Welfare Hire Nationwide (WHN), which were under common ownership, through a new group company, which was later rebranded as the Kelling Group.

Headquartered in Normanton, Yorkshire, Access Hire Nationwide was the market-leading player in the hire of Vehicle Mounted Access Platforms (“VMAPs”) to customers in infrastructure maintenance such as power and telecoms.

Welfare Hire Nationwide was a relatively new business, providing mobile and static welfare pods (temporary eating and washroom facilities for workers) and welfare vans (which also double as transportation to site) to construction and infrastructure companies.

Elysian was introduced to the business through the company’s advisors in Leeds and secured exclusivity from the entrepreneurial founder who recognised the distinctiveness of Elysian’s entrepreneurial approach and partnership model.

The business was attractive to Elysian given its market-leading VMAP position, new growth in the welfare facility market and its modest infrastructure. Combined with a capable and ambitious management team, the business made a good fit for Elysian’s active investment model of providing operational and strategic assistance to management teams of growth companies.

“I very much enjoyed working with Elysian Capital and remain grateful for their help and support throughout our partnership and many challenges together. They possess a unique blend of expertise, experience and seniority often missing in traditional PE funds. I would describe Elysian as an extremely smart and experienced team of the highest integrity”

John Wood CEO – Kelling Group Limited

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“During our partnership, Elysian encouraged and supported ongoing investment in people, infrastructure and products. Their operational experience meant they could raise insightful questions and then help us find the right answers. We also benefited from their steady and practical approach to governance, planning and process improvement.”

John Battersby CFO

Value Creation Themes

At the time of investment the business was largely reliant on Access Hire Nationwide with a small but burgeoning welfare business. Over the course of its ownership, Elysian supported the management in three principle areas - investment, professionalisation and repositioning - that all helped to drive value through EBITDA growth and multiple enhancement:

- Business repositioned from a single product set hire company to a multi-product leasing-style business focused on the infrastructure sector with fast growing best-in-class products, underpinned by long term rental, high asset utilisation, long-term relationships and unrivalled customer service
- Continued targeted investment in new products as well as existing fleets in order to drive growth. The total fleet grew from 828 in August 2014 to 1424 with a weighted average age of 2.6yrs in September 2017
- Developed Welfare Hire into one of the UK’s major and most profitable players, launching new products and energy efficient mobile lighting systems for construction and utility customers. Total welfare units increased to 883 by September 2017, 358 of which were the entirely new Eco10 welfare pods and tower lights
- Opened third depot and head office relocated to larger premises
- Strengthened management with significant focus on sales resourcing and effectiveness, particularly in Welfare Hire
- Improved systems, controls, processes and the overall professionalism of the business and governance
- Developed the new corporate identity and brand, The Kelling Group, to support the addition of new divisions in the future

The Exit

In January 2018 Elysian exited to Alinda Capital Partners, one of the world’s largest infrastructure firms and a long-term investor in infrastructure assets that provide essential services to communities.

As long-standing infrastructure investors in the UK market, Alinda understood the scale of ongoing maintenance and capital improvement programs in UK infrastructure and the crucial role Kelling plays in the execution of those programs.

John Wood (CEO) and John Battersby (CFO) remain with the Kelling Group to develop and lead it under Alinda’s ownership.