

Tekmar Group Limited



“We have thoroughly enjoyed working with James , Ally and the team. The path of this investment has not always been easy but through diligence, intelligent effort and persistence by all, Tekmar is now in a really great place to continue to grow and prosper. This successful result is a real vindication of our hands on, committed approach to investment.”

Ken Terry, CEO of Elysian Capital

Supporting a Business in a Nascent Growing Market

Background to the deal

In September 2011, Elysian acquired a majority stake in Tekmar, a Newton Aycliffe based manufacturer of cable protection systems for Offshore Wind Farms.

The business has a 33-year heritage, with the original parent company founded by two commercial divers working off Norway to offer a design and consultancy service within the subsea oil and gas sector. In 1995, the business relocated to Teesside and in 2007 a subsidiary, Tekmar Energy Limited, was established to develop a growth strategy, using the company’s knowledge of polyurethanes, for the relatively new offshore wind farm market. In 2008, driven by the significant economic cost to operators of not protecting subsea cables, which are highly susceptible to damage from the hostile conditions in a subsea environment, Tekmar developed the first generation of what became the TekLink® Cable Protection System and won the first contract in 2009.

Phil Greves, Elysian’s partner based in the North East, was introduced to the deal through his network and Elysian gained exclusivity due to our understanding of the sector and ability to move at speed, supporting a management buyout to provide an exit for the original shareholders and allow investment for future growth.

“Elysian were strongly aligned with management. Over the seven years of their investment, the Elysian team provided strong support to me and my team as the company responded to the dynamics of the market, investing in new facilities and product development and entering new sectors and geographies”

James Ritchie, CEO – Tekmar Group Limited

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“As a young company in a new emerging market, Tekmar benefited from Elysian’s partnership approach through their insightful and supportive analysis. The strategic support and financial backing we have received from Elysian has been a significant part of our success. We now look forward to build on the successful platform Elysian have helped create.”

Ally MacDonald, Chairman

Supporting Growth

Appropriate Debt Structure for Developing Market

In 2011, Tekmar was a young company in a high growth market. Elysian ensured that it had an appropriate debt structure in place working with a co-investor. This provided the flexibility to respond to the increasing number of contract enquiries in those early years.

Product Development

Having developed the first cable protection system for the market, the company continued to make constant improvements to the Group’s products to improve efficiencies on installation and to ensure that they remained cost effective for the Group’s customers. A new generation of the product is developed and sold on an annual basis and in 2018 the Group was supplying the eighth generation of its TekLink® CPS product.

Tekmar also developed additional products for the Offshore Wind market including a new patented cable hang-off, addressing many of the problems associated with the preciously available products, and TekSpace, a unique cable crossing protection.

Geographic Expansion

Having commenced operations serving the North Sea, Tekmar continued to dominate Offshore Wind projects in Europe with a market share of over 70%. At the same time it expanded its horizons to operate in three continents, having supplied the first turbines in North America and completing multiple projects in Asia. The Group, to the date of the IPO, had supplied 63 customers with over 6,179 cable protection systems, more than any other supplier of any other part to the wind industry globally.

Sector Diversification

In 2014, Tekmar leveraged its knowledge of polyurethanes and understanding of the offshore environment to enter the oil and gas market. By the summer of 2018 it had 12 product variants, e.g. bend restrictors which limit the bend radius of subsea cables, umbilicals and flowlines by mechanical means during both installation and service life, and had supplied 36 different customers.

Services Expansion

AgileTek was founded in November 2014 to provide engineering consultancy to developers, installers and manufacturers operating in the offshore energy industry. Services include dynamic analysis of combined loading on complex offshore and subsea systems, and analysis to validate sub-assembly and component design.

Facilities Investment

Elysian supported the investment in a new 70,000 square foot facility that included the manufacturing centre, HSQE centre and business administration, while converting the previous manufacturing area into a product testing and client training centre.

The Exit

Tekmar was admitted to the London Stock Exchange’s AIM market on 20th June 2018. The IPO raised £62 million, enabled Elysian Capital to exit in full and provided the company with funds for future expansion.