

Avocet Hardware MBO

Ian Jones and Michael Tuck have completed a management buyout of Avocet Hardware, backed by Hotbed, the UK's leading private investor syndicate.

Avocet Hardware's MBO team have acquired the business from Masco Corporation, which owns several other UK and European based companies in the home improvement and new home construction field.

Avocet Hardware currently employs around 220 people at its Brighouse headquarters and approximately 1000 more at its facilities in China and Taiwan. The company designs, manufactures and distributes door and window hardware for the UK uPVC market as well as supplying nails, bolts, screws and general ironmongery products to the major UK DIY retailers including B&Q, Focus and Wickes. The company has won the B&Q Supplier of the Year Award for Service Excellence in 2006 and 2007.

Bernard Dale, Head of Private Equity at Hotbed, says: "This is a business on an upward trend with an excellent management. We are delighted to have offered another MBO investment of such high quality to our members. Avocet is a substantial MBO of a profitable, asset backed company with a strong management team."

Ian Jones, who becomes CEO of Avocet, said: "The acquisition reflects the management team's confidence that the business is well placed to enter a new and exciting phase of business growth, which is great news for our staff and great news for the area. This year we will see sales grow by over 15% and similar growth is expected in future years as we continue to take market share away from our competitors."

Avocet managing director, Michael Tuck, added: "The last few years has been a period of building and developing the business, making it ready for the future. That period of consolidation is now complete and the business is well positioned to expand."

Senior debt facilities

were provided by Landsbanki Commercial Finance, headed by David Lomax and Peter Jones. They said: "This was an opportunity to buy a profitable non-core business from the American parent. Avocet has an excellent reputation with its customers. An experienced and commercially realistic advisory team created a positive environment within which the deal was completed to a tight timescale."

Eastwood Anglo Corporate Finance Limited, under the leadership of Bill Eastwood, provided financial advice to the management team, who originally approached the company to ask about the possibility of an MBO. Mr Eastwood said: "This was a buyout from a large US Corporate who were initially difficult to persuade to permit a buyout rather than trade sale."

Shoosmiths, led by partners Oliver Brookshaw and Alastair Peet, acted for the MBO team on the transaction. Oliver Brookshaw said: "This is a great opportunity for Ian Jones and Michael Tuck. As business owners they can now use their many years' acquired experience of running Avocet to really make the business fly. As a strong management team which commands widespread respect, I am certain they will make a real success of this venture."

Taking care of financial due diligence were Alison Legg and Julia Lea of KPMG Transaction Services in Leeds, assisted by colleagues from M&A Tax. Alison Legg commented: "Avocet has a good track record with the blue chip customers that they supply, recently expanding their product lines with these customers and with prospects for further product wins."

The commercial due diligence provider was CIL UK, headed by Sebastian Chambers, while EMW Law acted for Hotbed and Eversheds provided legal advice to Landsbanki.

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Private equity provided by:



Debt provided by:



Landsbanki
Commercial Finance

Financial adviser to the management team:



Legal adviser to the management team:

shoosmiths

Legal adviser to Hotbed:

emw law