

## Press Release

10 January 2014

### MBO of Leengate Valves

Advisors and funders from across the region have joined forces to deliver a high profile management buy-out.

Leengate Valves, one of the UK's leading wholesalers of industrial valves has been acquired by its management team from Linde AG, the German listed industrial gases and engineering group.

With annual turnover approaching £7 million, Leengate Valves supplies major re-sellers in the gas, water and industrial sectors. Based in Alfreton the company holds one of the largest ranges of industrial valves in the UK and also provides its customers with specialist actuation and automation engineering services.

Managing Director Steve Pickering commented "Having helped found Leengate Valves some 20 years ago, I am very proud that my team and I now have the opportunity to own the business we know so well. Having completed the buy-out we are now all looking forward to continuing to work closely with our suppliers and customers and building on our success."

Funding for the buy-out was provided by YFM Equity Partners and HSBC with an extended team of the region's leading dealmakers advising on the deal.

BHP Corporate Finance acted as lead advisor to the Leengate management team on the acquisition and fundraising. Don Gray, partner, said "I am delighted that we have been able to work with Steve and his team to secure this deal. This is in every way a classic MBO story - a successful business that was deemed non-core by its owners and an ambitious and talented management team that was keen to take it independent". Kevin Davies, assistant director, added. "What has been particularly encouraging to see is the appetite of both debt and equity funders to support this transaction - something which I believe bodes well for increased buy-out activity in the SME market in the coming months."

Legal advisors to the Leengate management team were Paul Trudgill and Sarah Riley of hlw Keeble Hawson. Paul Trudgill, managing partner, commented "It has been a pleasure to assist Steve and his team in realising their ambition of taking Leengate Valves forward as an independent business. The success of this deal demonstrates once again that for transactions involving sound businesses with strong management teams, there remains ready support from funders."

YFM Equity Partners' investment was led by Mary Broadhead who said "Leengate Valves is a highly respected and trusted company with an experienced management team. We look forward to using our experience in growing engineering and manufacturing businesses to help Steve and the team develop existing and new markets for its products and services".

HSBC's South Yorkshire Commercial and Invoice Finance teams provided acquisition finance and working capital facilities. HSBC Senior Commercial Manager, Chris Alsop

commented “We are pleased to have supported this management buy-out. The team at Leengate is highly experienced and has clear plans for the business. We are seeing an increased appetite for this activity across South Yorkshire and forecast a strong year in 2014”

Completing the roll call of local advisors were Paul King of Hill Dickinson and Dean Gormley of Irwin Mitchell who provided legal advice to YFM and HSBC respectively. Andy Ryder of BDO’s Sheffield office led the team that provided financial due diligence.

■■ ENDS ■■

1. Leengate is the UK’s leading wholesaler, stockist and distributor of industrial valves to the merchant market. The company stocks an extensive range of high quality products and has developed an excellent reputation in the merchant valve market built on exceptional customer service which is maintained through its “next day delivery” commitment. The MBO team is led by Steve Pickering (Managing Director) who is supported by Mick Loseby (Sales Director) and Leigh Pickering (Commercial Director).
2. BHP Corporate Finance is the specialist corporate finance division of Barber Harrison & Platt. It has one of the largest corporate finance teams in the region and in 2013 was for the sixth year running named Corporate Finance Advisory Firm of the Year at the Insider South Yorkshire Dealmakers Awards. It has acted on a number of the region’s most high profile transactions in recent times including the MBO of Leeds-based Winder Power, the disposal of international metal recycling group ABS Industrial Resources to ELG Haniel and the refinancing of outdoor equipment and clothing retailer Go Outdoors.
3. Barber Harrison & Platt (BHP) is the largest independent firm of Chartered Accountants in Yorkshire and North East Derbyshire. It has regularly featured as the only independent firm in Yorkshire in Accountancy\* Magazine’s Annual Top 60. The firm has 230 people, including 17 partners, at offices in Sheffield, Leeds, Chesterfield, York and Harrogate.

Barber Harrison & Platt provides the full range of assurance, business advisory, corporate finance and taxation services. It has one of the largest corporate finance teams in the region and for the sixth year running was named Corporate Finance Advisory Firm of the Year at the Insider South Yorkshire Dealmakers Awards 2013.

\* Accountancy is the journal of the Institute of Chartered Accountants in England and Wales and publishes the Top 60 league table annually.

**Photo:** Left to right are:

Don Gray, Partner, BHP Corporate Finance, Ian Walker, Business Development Manager, HSBC Invoice Finance, Leigh Pickering, Commercial Director, Leengate Valves, Mick Loseby, Sales Director, Leengate Valves, Steve Pickering, Managing Director, Leengate Valves, Mary Broadhead, Investment Director, YFM, Kevin Davies, Assistant Director, BHP Corporate Finance, Paul Trudgill, Partner, hlw Keeble Hawson, Chris Alsop, Senior Commercial Manager, HSBC