



## HSBC SUPPORTS HOTTER SHOES SECONDARY BUYOUT

HSBC's North West Leverage Finance team has played a key role in the secondary management buy-out of Lancashire footwear company Hotter Shoes. The company has been acquired by Electra Partners and Stewart Houlgrave.

HSBC acted as Joint Mandated Lead Arranger for the Senior Debt facilities to support the transaction. HSBC's North West Leverage Finance team on the deal included Noel Jones, Tom Ackroyd and Sebastian Lomax, whilst Andrew Pate will continue to manage HSBC's relationship with the company going forward.

Skelmersdale-based Hotter Shoes operates one of the most advanced shoe making facilities in the world and sells over 2 million pairs of shoes a year, in the UK and internationally, distributing through its mail order business, online and a network of Hotter stores. A growing customer base has seen the company more than double its sales in the last 4 years. Hotter was formed in 1959 by the Houlgrave family and HSBC has been its banking partner since its formation.

Acquired from Gresham LLP, the new Senior Acquisition Debt facility provided by HSBC and Lloyds Banking Group will enable the management team to drive further growth in the company through increased retail presence and expansion into new international markets.

Noel Jones, HSBC North West Leverage Finance Director, said: "Hotter is a long-standing HSBC relationship for over 50 years. Hotter has an excellent brand and the business has demonstrated strong growth under the guidance of the current management team. As an important relationship, we are very pleased to be able to continue our support as the business enters a new and exciting phase of growth in partnership with Electra Partners.

Peter Taylor, CEO of Hotter said: "We are excited about working alongside Electra Partners and the opportunities this presents. We see strong growth potential in a

number of areas of our business and the support of Electra Partners means we are well positioned for the next phase of Hotter's development."

Alex Fortescue, Chief Investment Partner of Electra Partners, said: "We have been tracking Hotter for several years and it epitomises what we look for in a buyout investment – a really strong UK headquartered business with not only a UK growth story but also proven international potential. We look forward to working with Peter and the rest of the Hotter team to continue to drive this UK brand and manufacturing success story forwards."

*Ends*

**For further information please contact:**

Michael Clarke,  
HSBC Commercial Bank Media Relations Manager  
Direct: 07920413672  
Email: [mike.j.clarke@hsbc.com](mailto:mike.j.clarke@hsbc.com)  
Twitter: [@HSBCUKBusiness](https://twitter.com/HSBCUKBusiness)

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**Notes to Editors:**

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For nearly 150 years we have been where the growth is, connecting customers to opportunities. Today, HSBC Commercial Banking serves businesses ranging from small enterprises to large multinationals in over 60 developed and faster-growing markets around the world. Whether it is working capital, trade finance or payments and cash management solutions, we provide the tools and expertise that businesses

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### **About Electra Partners LLP**

Electra Partners is an independent private equity fund manager with over 25 years' experience in the mid-market buyout sector. During the last 25 years it has invested in excess of £3 billion in over 150 deals. As at 30 September 2013, the firm had funds under management of over £1.5 billion including available investment capacity of more than £450 million.

Electra Partners' flexible investment strategy allows it to invest broadly across the private equity market with particular focus in three areas: Buyouts and Co-investments, Secondaries and Debt. In addition to this, the ability to provide stable long-term capital means it is not constrained by expiring investment periods or exit pressure driven by fund raising cycles and is therefore able to realise investments only when returns are maximised for its investors.

The firm's major client is Electra Private Equity PLC ("Electra"), a private equity investment trust which has been listed on the London Stock Exchange since 1976. Electra's long-term investment performance has been consistently superior to private equity and other benchmarks. Over the ten years to 30 September 2013, Electra has seen diluted NAV per share growth of 279% compared to a 140% increase in the FTSE All-Share.

For further information please visit [www.electrapartners.com](http://www.electrapartners.com).

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