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SHEFFIELD'S X-CEL SUPERTURN ACQUIRES COLSON INDUSTRIES IN HSBC BACKED £1.75M DEAL

“We have a strong appetite to support the growth of mid-market Scottish businesses like Scotmas, and are pleased to be part of this exciting period, helping them take forward their growth plans.”

Sheffield-based X-Cel Superturn (GB) Ltd, which manufactures precision engineered components for the oil and gas sector, has acquired fellow Yorkshire business Colson Industries in an HSBC-backed £1.75 million deal.

HSBC's South Yorkshire Commercial team has provided a £2.5 million finance package to support the acquisition, and also to put a comprehensive working capital facility in place to help Colson Industries' growth. The deal was managed on behalf of the bank by Senior Commercial Manager Chris Alsop, with support from HSBC Invoice Finance Business Development Manager Ian Walker. The funding has been allocated from HSBC's recently launched £500 million SME Fund specifically for Yorkshire and Humber businesses.

Elland-based Colson Industries manufactures valves, also for the oil and gas industry. It will operate as a 100% subsidiary of X-Cel Superturn, which will strengthen the newly acquired company's management team with the appointment of a technical director and sales director.

X-Cel Superturn also plans to quadruple sales at Colson Industries from £2.5 million to £10 million over the next two years, adding 25 employees over the period to raise staff numbers to 65.

In addition to funding being provided by HSBC's South Yorkshire team, the transaction was led by Yorkshire advisors. Chris Sellars from Banner Jones Solicitors acted for X-Cel, whilst James Foster and Dean Gormley from Irwin Mitchell acted for HSBC. Don Gray at BHP Corporate Finance acted for X-Cel and HSBC.

X-Cel Superturn was founded in 1984 by current Managing Director Andrew Taylor as Sheffield Superturn to manufacture small to medium CNC machined parts. The company has expanded through a combination of organic growth and acquisition and this year expects to increase turnover from £24 million to £30 million, independent of the Colson acquisition. It employs 130 people across its sites in Sheffield, Rotherham and Batley.

Colson Industries was founded in 1996 by Colin Smith-Moorhouse from a small workshop in Elland. The company now operates from a 30,000 sq ft facility, working with major oil and gas companies globally.

X-Cel Superturn Managing Director Andrew Taylor said: “Colson Industries offers exciting growth opportunities and complements our service at X-Cel Superturn. We believe the company can grow to a £10 million business within two years, which would make the group between a £40 million and £50 million business. The finance HSBC has provided has not only enabled us to complete this transaction, but also gives us the working capital required to help grow Colson. It is a very exciting time for our business and I am pleased HSBC has backed this transaction.”

HSBC South Yorkshire Area Commercial Director Mick Knowles added: “We have worked with X-Cel for a number of years and this transaction strengthens the relationship further. X-Cel is a fantastic company that has continued to invest to take advantage of growth opportunities within its sector. I’m speaking to a large number of businesses from across South Yorkshire about their growth plans and it is fantastic to have the backing of the £500 million SME Fund for Yorkshire companies to enable HSBC to support them.”

Dean Gormley, partner and head of Irwin Mitchell’s Banking & Finance team in the North commented: “Colson Industries has built up a strong reputation in the chemical, offshore, oil and gas industries and will be an excellent addition to X-Cel Superturn’s existing business. We are delighted to have advised HSBC on this deal and wish X-Cel Superturn and Colson Industries every success as they look to grow and build on their global reputation.”

Banner Jones Solicitors Executive Director Chris Sellars added: “Over the time I have worked with X-Cel Superturn they have gone from strength-to-strength. I am delighted to have assisted in what will undoubtedly be an extremely positive deal for both companies.”

BHP Corporate Finance Partner Don Gray concluded: “With the economic climate improving we are seeing more and more businesses seeking to grow by acquisition. This is particularly true of companies supplying into the oil and gas sector and we are very pleased to have worked with X-Cel and HSBC on this deal.”

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