

# Co-operative Financial Services



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## News Release

### **Bimbo enhances silicone firm**

Warwickshire based distributor Techsil Ltd has sealed a bright future for itself in a multi-million pound, buy-in management buy-out (BIMBO).

The specialist distributor, Techsil employs 17 staff at its warehouse and offices in Bidford on Avon and has a growing daughter company in Germany. They are European distributors for Momentive Performance Materials, one of only six global producers of silicone. They are also distributors for BJB and ITW Devcon.

Techsil distribute products and high performance liquid polymers, typically used for bonding, sealing or coating applications, to a wide range of manufacturing industries across Europe including the automotive, (for example manufacturers in the automotive industry who produce components for car manufacturers including Volvo, Ford and Fiat) aerospace and medical industries.

Established in 1989, the company was previously owned by two major shareholders, founder Mike Luck and Andrew Briars (sales director). After 18 years Mike has decided to retire from the distribution business and the new managing director, Paul Hughes has acquired the majority shareholding.

Lead advisers M3 Corporate Finance assisted with negotiation of the deal and advised on deal structure, secured the necessary finance and project managed the deal to successful conclusion.

The Co-operative Bank's Corporate Banking Centre in Birmingham funded the refinancing deal via senior debt and working capital facilities.

The acquisition will enable the directors to focus on their specialist areas of expertise within the industry and to continue expanding the business through its successful growth strategy.

New managing director Paul Hughes said: "Techsil is the largest European distributor for some of the world's largest producers of silicone and has achieved significant success through proactively adding value for clients across Europe. We recognise that new product development in our specialist industries can take up to two years before production so we work closely with customers to solve problems and find solutions – resulting in a strong base of committed, long term customers.

"Moving forward we are in a strong position to increase our market share through acquisitions and organic expansion, both in the UK and throughout the rest of Europe.

"The ease of transition has been greatly helped by The Co-operative Bank, their flexibility and speed of response has meant they've delivered exactly what we wanted, enabling us to achieve our goal of taking this business forward."

Mike Gammon, relationship manager at The Co-operative Bank's Corporate Banking Centre in Birmingham, said: "Techsil has a strong market position and has enjoyed considerable growth over the past eighteen years. Andrew Briars and operations director, Mark Lowe have extensive technical and commercial experience of this specialist industry and Paul Hughes brings a wealth of knowledge from his experience of SMEs, largely business to business."

Matthew Oliver, a director of M3 Corporate Finance, said: "We are delighted to have helped Paul Hughes acquire the majority shareholding in this leading distributor of silicone products. He is one of a growing breed of entrepreneurs who have climbed the corporate ladder but now want to take control of their own destiny by acquiring a controlling stake in a business."

The Wilkes Partnership, Solicitors acted on behalf of Techsil. Kate Hackett, a Partner from the firm commented: "Part of making deals like this a success lies in making sure that all acquisition documentation meets the client's needs so that the transaction can run smoothly and meet the primary objective of moving forward with the newly-acquired business. We are delighted to have been able to support Paul Hughes in his business ambitions for Techsil."

The Co-operative Bank's solicitor was Mace and Jones.

**- Ends -**

**Photo caption:**

LtoR: Matthew Oliver, M3 Corporate Finance; Mark Lowe, Techsil operations director; Paul Hughes, Techsil managing director; Andrew Briars, Techsil sales director and Mike Gammon, relationship manager at The Co-operative Bank's Corporate Banking Centre in Birmingham

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