



Close Growth Capital backs £9m MBO of Allen & Heath

Close Growth Capital (“CGC”), a provider of combined equity and debt funding, announces that it is backing the £9m secondary management buy out (MBO) of Allen & Heath (“A&H”), a designer of professional sound mixing equipment. The move marks the successful exit of 3i, who backed the original MBO in 2001.

Based in Penryn, near Falmouth, Cornwall, A&H develops and manufactures audio mixing consoles for use by professional sound engineers. The company has built a solid reputation for excellence and innovation in live sound applications and developing new products for the growing DJ market under the premium brand “Xone”. New digital products under the “iLive” brand have also been enthusiastically received by the market. From building consoles for bands such as Pink Floyd and The Who in the 70s, its systems are now used by a broad range of live music venues and leading club DJs around the world. A&H also provides installed sound systems for conference centres, lecture theatres and hotels.

The MBO team is being led by A&H’s managing director, Glenn Rogers, who has successfully fronted the company since the mid 90s. The board will also include Dave Jones, finance director; Tony Williams, operations director; and Bob Goleniowski, sales director. Peter Adams continues as non-executive chairman. James Blake, who led the transaction for CGC, will also join the board.

The deal is funded by way of a unique form of single source financing from CGC, comprising equity and debt. The management are also providing equity. Barclays will provide working capital facilities for the business. A&H employs 180 people and has a turnover of £15 million.

James Blake, at CGC commented: “A&H have a well-established management team with a proven track record of technical innovation. In Xone they have a market-leading product chosen by the world’s most discerning DJs. However, it is in mid range live digital mixing consoles under the iLive brand where we anticipate the greatest potential for growth. A&H’s ability to design innovative market leading products makes them an excellent investment.”

Glenn Rogers, managing director at A&H said: “We were immediately attracted by CGC’s financing package, which will enable us to continue our intended growth strategy. CGC will become an integral part of the A&H team and we look forward to working with them to build on our reputation for quality and innovation.”

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About CBGC

Close Growth Capital, an investment arm of Close Brothers Group plc, was started in 1999 to provide combined equity and debt funding to UK SMEs.

CGC specialises in providing combined debt and equity investments to:

- Management buy-outs/buy-ins
- Companies requiring growth capital
- Secondary buy-outs

CGC invests in mid-market situations in any sector and aims to be the only (or main) financial institution involved. CBGC looks for a UK business with a strong incumbent or incoming management team, a recognisable market position and a history of cash and profit generation.

The Product

Close Growth Capital provides innovative financing alternatives for SMEs through the use of a hybrid debt/equity product.

The investment made by CGC in a company takes the form of a tailor-made instrument combining the best elements of a secured loan with those of equity. The management team in an MBO or MBI typically retain a greater proportion of their company's equity and benefit from significantly enhanced flexibility in the repayment of the funding package.

Close Brothers Growth Capital Limited is authorised and regulated by the Financial Services Authority.

About Allen & Heath

For further information visit www.allen-heath.com
