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CSA supports Stellar Associates and CYB with due diligence on Esprit Automation

Carlton Strategy Advisors has successfully supported Stellar Associates and Clydesdale/Yorkshire Bank by providing commercial due diligence in connection with the private equity investor's backing of Esprit Automation Ltd, the Nottingham-based manufacturer of CNC plasma cutting machines and flame cutting machines.



Esprit designs and manufactures precision engineered CNC machines for metal cutting by both plasma gas and oxy-flame. The company offers a range of bespoke OEM solutions including after-sales consumables, repairs and maintenance. Industries serviced by the company include steel construction, oil and gas and yellow-goods (mechanical diggers and other equipment).

The investment was led by Saquib Ansari of Stellar Associates, who also becomes managing director of Esprit. Mr Ansari said, "Esprit is a business which can be characterised by its strong customer base and installed machine base. The due diligence provided by CSA supported our internal investment process by clarifying elements of Esprit's competitive advantage through independent business analysis, market investigation and customer referencing. We see scope for Esprit to achieve significant growth and the investment will therefore help the company to broaden its reach nationally and internationally."

Senior debt on the transaction was provided by Ian Howey, a senior director in CYB's Birmingham-based acquisition finance team. Mr Howey said, "It is extremely satisfying to be able to assist in the evolution and development of mid-market businesses and support them through to the next phase of their growth and expansion. CSA's due diligence has been addressed to us on a number of occasions. We have found that their reporting provides a basis for us to look at the current financials and projections with an added understanding of the key market drivers. Their work is comprehensive and we had no hesitation recommending them to Stellar for this transaction."

David McClelland, director of Carlton Strategy, said, "Given their potential to generate sustainable earnings growth' businesses laying claim to strong IP and a differentiated proposition in an identifiable sector niche can be attractive to investors and lenders. Diligence helps to mitigate enterprise risk by providing evidenced commentary and opinion about strategy and direction in line with market demand, business competition and customer service satisfaction."

*For information about how CSA can help you to assess business and market attractiveness please contact:
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