



Mini-Cam: growing overseas

# ADDING VALUE

It's about a lot more than just a cheque when businesses take on private equity investment, finds **Miri Thomas**

**S**oaring export sales are helping pipe-line inspection equipment specialist Mini-Cam to build on record turnover as it celebrates a landmark year. In business for 25 years, Mini-Cam grew overall revenues by 40 per cent from £7.6m to £10.6m in the 12 months to 31 January. Its crawler and push camera systems are used by water and wastewater companies and their contractors to record and transmit footage during inspections. Other clients include oil and gas, construction and engineering companies.

The company is based in Warrington and was founded in 1991 by managing director Nigel Wilson (46) who last year received backing from private equity firm LDC. Wilson says the investment has "been a key factor in helping us to accelerate our growth this year, particularly in our overseas markets".

Exports now account for 48 per cent of overall turnover, up from 41 per cent last year, with the US market seeing the strongest rise after Mini-Cam signed up a new distributor. Sales have also surged in the Middle East, Scandinavia, the Baltic States and Ireland, and a deal to become the main supplier to German firm Ehle-HD has fuelled growth in continental Europe. Mini-Cam has also begun exporting to China. The company has distributors in 31 countries and expects to further expand its network.

Although LDC's investment was made in 2015, the story can be traced back three years earlier to the appointment of corporate finance adviser Mark Mills as chairman. Mills introduced Wilson to advisers at Rothschild who began the search for suitable



investment. "Mark helped us reorganise the business and get to a point where a trade buyer or private equity would consider us," says Wilson. The search led to interest from a trade buyer but it would have been the wrong decision, says Wilson. "I wanted to stay and grow the business. A trade buyer would have taken over 100 per cent. With private equity, it was a way for me to keep a stake."

Rothschild introduced Wilson to LDC and the deal allowed for eight staff to gain equity in the business, with Wilson retaining a 40 per cent stake. "Until then it was just me and my wife. The investment gave us more structure. We now have a finance director, a financial controller, a chairman and a board. It's not just me making all the decisions and I can tap into additional resources for advice."

The main benefit of private equity investment, says Wilson, is that Mini-Cam has a "motivated management team with a sounding board to help us make the right decisions. They are investing in the management team but let us get on with our work – and that's what I like. But they're there if we need to discuss anything."

Some businesses prefer a more hands-on approach and private equity can provide that too. Endless, which specialises in turnaround funding, last year invested in Blackburn-based Bright Blue Foods. The company manufactures bakery products including mince pies, celebration cakes, swiss rolls and cake bars, predominantly as private-label goods for Tesco, Sainsbury's and Marks & Spencer. It is one of the largest makers of mince pies and Christmas cake in the UK but a couple of years ago it ran into difficulty.

Chief executive Jonathan Lill says: "In 2014 the business planned to rationalise its footprint and close two bakeries but the sites receiving the products struggled and the business got into trouble serving customers. It lost control of production efficiency and it became a cash drain. This culminated in September 2015 when the business was close to administration."

Private equity house Endless stepped in and did a deal within nine days to acquire the majority stake. "It has been transformational. We're back dealing with suppliers who had been withdrawing their raw materials," says Lill (48), who arrived in February 2016 from Morrisons as part of a new management team with over 130 years of experience