



## News release

7 July 2021

### **Graphite Capital sells U-POL to Axalta Coating Systems for £428 million**

Graphite Capital, a leading UK mid-market private equity specialist, has agreed to sell U-POL, a leading manufacturer and distributor of automotive repair and refinishing products, to Axalta Coating Systems. Headquartered in Philadelphia, United States, Axalta is a global manufacturer and distributor of coatings and the leader in the premium automotive refinish segment.

The transaction values U-POL at £428 million, generating a total return of 4.5 times Graphite's investment. The transaction is subject to competition authority clearances and is expected to complete in the second half of 2021.

Graphite led the £139 million buy-out of U-POL in 2010. Graphite has made a number of successful investments in the automotive aftermarket, including an earlier investment in U-POL itself, which generated a 3.2 times return in 2005, and in Micheldever Tyre Services, which it sold in 2017 for 3.7 times cost.

U-POL is based in Wellingborough, Northamptonshire, where it manufactures over 1,000 products for distribution into more than 100 countries. The company has a reputation for product quality and innovation, which have been key drivers of its global success.

In recent years, U-POL has successfully established itself in the online channel and developed strong trading relationships with the leading North American automotive aftermarket retailers, including Autozone and O'Reilly's. Its products are now sold in more than 12,000 retail outlets across the continent. U-POL has also expanded its business in fast-growing emerging markets such as China and Africa.

U-POL's sales have doubled under Graphite's ownership to over £100 million and staff numbers have increased by over 60 per cent, from 210 to 340.

Graphite Capital senior partner James Markham said: "It has been highly rewarding working with the U-POL team in executing their ambitious growth strategy. We are very pleased to have played an active role supporting them as they built U-POL into a truly global business with a culture of innovation set to generate continuing growth. This transaction crystallises an attractive return for our investors."

Guy Williams, chief executive of U-POL, commented: "Graphite has been a very active and helpful partner to us as we have transformed every part of the business over recent years. We have invested heavily in our people, our brands and innovation, all of which has enabled us to reposition U-POL with its customers. We are delighted that Axalta has acquired U-POL and believe we are extremely well placed to continue our exciting growth trajectory under their ownership."

Markus Golser, managing partner, and Mike Tilbury, senior partner, also worked on the investment for Graphite.

Baird acted as financial adviser and Goodwin Proctor as legal adviser to the shareholders.