

News release

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Graphite Capital acquires software services provider, Ten10

Graphite Capital, a leading UK mid-market private equity specialist, has backed the management buy-out of Ten10, a leading independent UK quality engineering and software testing services provider.

Ten10 has a large and diversified customer base of approximately 100 blue-chip organisations across the financial services, retail, legal and public sectors.

Ten10's services help customers manage the commercial and financial risks involved in developing, implementing, upgrading and integrating software to enable them to comply with regulatory change, support business growth, increase customer satisfaction or reduce costs.

The company has more than 250 staff, with offices in London, Leeds and Raleigh, North Carolina. Combining market-leading tools and methodologies with wide-ranging specialist consulting expertise, it provides clients with a flexible and cost-effective resource on a project, outsourced, or in-house basis.

It also operates an award-winning academy which provides graduates with industry-leading training in business analysis, software development, testing, DevOps and robotic process automation (RPA).

The management team is led by Chris Shaw who has repositioned the business and overseen a period of strong growth since his arrival as chief executive in September 2017. In the two years to April 2020, revenues increased by 28 per cent to more than £26 million. The management team has reinvested a substantial percentage of its proceeds as part of the deal.

Ten10 is forecast to continue to grow strongly in the UK and to expand further in the fast-growing North American market. The £1 billion UK quality engineering and software testing market is forecast to grow by 7 per cent a year to 2023. The £4 billion North American market is expected to increase at or above this rate over the same period.

Chris Shaw said: "We have known Graphite for a long time and believe they will be great partners for Ten10. Graphite has a strong track record of supporting technology-enabled businesses to become leaders in their sector. Their expertise will be invaluable as we continue the development of our software testing, DevOps and RPA services and accelerate our international expansion."

Graphite partner Humphrey Baker commented: "We are looking forward to supporting Chris and his team in the next chapter of Ten10's development. The company has a strong position in its market, with exciting organic growth prospects driven by an increasing demand for automation skills and the continuing growth of software development as companies seek to become more technology-enabled."

Mike Tilbury, head of new investment at Graphite, John Western, investment director, and Zoe Jackson, investment executive, also worked on the transaction.

Shawbrook Bank provided the debt finance for the transaction.