

February 2022

Take off in North America



Since 2011:
Nine exits to US buyers
Total value of £1.8bn
Multiple of cost of 2.9x

US expansion at the core of our value creation model

This issue discusses Graphite's success in expanding its portfolio company, U-POL, in North America and making it attractive to a US-based strategic purchaser. Graphite sold its investment in U-POL in late 2021, generating a return of 4.5x cost. The sale was the latest in a series of highly successful disposals to North American acquirers over the past decade, reflecting strong expansion in that region across many of our portfolio companies on the back of targeted investment in high-quality leadership, local operations, and sales & distribution capabilities.



U-POL – an industry export champion

From its manufacturing site in Northamptonshire, U-POL exports its automotive refinish products (body-fillers, coatings and aerosols) into over 100 countries globally. U-POL was the UK market leader at the time of the MBO and grew its UK business further under Graphite's ownership. The main value driver, however, was exports, with their share of total revenues growing from 69% to 82%. Key to this was expansion in the North American market, where sales grew by 220%, from \$16m to \$52m.



Invest to succeed

Graphite invested in local leadership and all aspects of the commercial team, allowing U-POL to position itself as a credible partner to the largest automotive aftermarket distributors on the continent and to take substantial market share from its manufacturing competitors. The product range was also configured to open up the retail channel, with U-POL successfully penetrating the largest automotive retailers, including Autozone, O'Reilly's and NAPA which together operate over 15,000 retail outlets across the United States. Appropriate marketing support ensured that sales grew rapidly. In addition, U-POL also increased its online distribution, supporting the leading resellers on the continent with strong digital marketing and social media content.

Watch U-POL video



[watch video](#)

Exit positioning around US growth opportunity

Graphite positioned U-POL as an opportunity for a select group of strategic purchasers from within the sector to acquire a business with strong further growth potential in North America and around the globe, driven by:

- an exciting new product pipeline,
- research-driven innovation,
- strong ESG credentials, and
- a sector-leading management team.

Following a targeted exit process, Axalta Coating Systems prevailed as the leading bidder and acquired U-POL for £428m, generating a return of 4.5x cost for Graphite's investors.

CONTACT
Graphite Capital
7 Air Street, London, W1B 5AD

Telephone: +44 (0)20 7825 5300
Email: info@graphitecapital.com
www.graphitecapital.com

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