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Graphite backs £72m MBO of leadership consultancy YSC

Graphite Capital, a leading mid-market private equity specialist, has backed the £72 million management buy-out of YSC Consulting, the independent global provider of leadership strategy consultancy services.

Headquartered in London, YSC Consulting operates from 17 offices in Europe, North America, South Africa and Asia-Pacific. It has built a large and diverse blue-chip customer base of more than 400 organisations of which almost 60 per cent are in the FTSE 100, FTSE 250 or Fortune 500. Its global clients include Qantas, HSBC, Diageo, GlaxoSmithKline, Tesco, BHP, Li & Fung and BP.

YSC Consulting works mainly with C-suite executives, developing trusted, long-term relationships. It employs 220 staff, of whom around 100 are highly qualified consultants with backgrounds in psychology, business and management, and behavioural sciences. YSC also maintains a tight network of associates who provide additional resource depending on the scope of the assignment.

YSC Consulting has a large and fast-growing practice in the US, the world's largest leadership consultancy market, with offices in New York, Chicago, Boston and San Francisco.

The global leadership development market is estimated to be worth £1.8 billion, growing at 10 per cent per annum. Underpinned by the quality, breadth and global reach of its services, YSC Consulting has a track record of sustained organic growth, with high levels of repeat revenues. A large proportion of its new client wins come from referrals.

Graphite acquired YSC Consulting from Livingbridge after a competitive tender process. The YSC Consulting management team, under chief executive officer Robert Sharrock, have reinvested a large proportion of their sale proceeds and will remain in place. Lloyds and HSBC provided senior debt for the transaction.

Robert Sharrock commented: 'We are delighted to be partnering with Graphite who were our first choice. Their track record of working with professional services firms is impressive and their experience in expanding them internationally will be highly valuable to our growth strategy.'

Graphite senior partner Mike Tilbury added: 'YSC Consulting is a global leader in its field. It has an excellent reputation for the quality of its work, the professionalism of its people and its focus on innovation. The talented management team has a clear vision for future growth and we look forward to working with them during the next phase of YSC's development.'

Liz Jones, partner of Livingbridge, said: 'The business has continued to fulfil its global growth ambitions whilst staying true to its mission of delivering leadership strategy consultancy services for international clients. We wish the team the very best for the future and look forward to seeing the business build on its success to date.'

Graphite has a successful track record of backing management teams in the professional services industry including: NES Global Talent, a provider of engineering contractors to the oil and gas industry which was transformed into a global business under Graphite's ownership. NES was sold in 2012 for £234 million, generating a return of 4.7 times cost. Graphite also backed Alexander Mann Solutions, a global recruitment process outsourcing business which more than doubled its client base of blue-chip multinational companies under Graphite's ownership and was sold in 2013 for £260 million, generating a return of 3.6 times cost. Education Personnel, the provider of supply teachers to schools was created by Graphite merging Teaching Personnel and Protocol Education. It was sold in 2014 for £300 million, generating a return of 5.8 times cost.

Senior partners Mike Tilbury and Simon ffitch, partners Humphrey Baker and Rachael Baker, and investment executive Sophie Davies managed the transaction for Graphite.