



News release

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Graphite Capital sells caravan parks group, Park Holidays UK, to Caledonia Investments for £172m

Graphite Capital, a leading UK mid-market private equity specialist, has sold Park Holidays UK, Britain's fourth largest operator of static caravan parks, to Caledonia Investments, a UK investment trust company, for £172 million.

The sale brings the total value of disposals made by Graphite since October 2012 to over £1 billion. Graphite has sold seven companies over this period realising £579.3 million of equity proceeds from an initial cost of £202.3 million and generating a total return of 2.9x cost.

Park Holidays UK owns 21 freehold and two leasehold caravan parks with nearly 9,000 pitches in southern England. The group sells caravans to owners and hires caravans to holiday makers. The business was founded in 1985 and was acquired by Graphite in a £130 million buy-in/management buy-out in January 2006. Graphite introduced a strong management team led by chief executive Jeff Sills.

Graphite worked closely with the management team to strengthen the business and supported the acquisition of six new parks in the south west of England between 2006 and 2008. Since the buyout, the quality of the parks has been substantially upgraded and the company has expanded its holiday lettings business across all its parks. During this time, turnover more than doubled to £84 million and EBITDA increased by 72 per cent to £20.4 million. Park Holidays UK has been very resilient during the economic downturn, with EBITDA increasing in every year since 2008.

The sale provides Graphite with a total return of 2.3 times its investment and reinforces its strong track record in the leisure sector. Graphite has now realised six investments in the sector and these have generated a multiple of 3.1 times cost and an IRR of 28.1 per cent.

Commenting on the transaction, Jeff Sills, Park Holidays UK's chief executive, said: "Graphite has been a great backer through both strong and difficult trading conditions and has helped us transform the business to generate market-leading performance. We look forward to taking advantage of continuing growth opportunities under the ownership of Caledonia Investments."

Graphite senior partner, Mike Innes, added: "We have been delighted to work with the management team at Park Holidays UK over the past seven years. The resilience which the business has shown through a period of exceptional economic turmoil reflects the operational excellence instilled by Jeff and his colleagues and the targeted investment in the parks. The quality of the parks, operational performance and brand strength place Park Holidays UK in a great position to continue its growth."

Commenting on the large number of recent realisations made by Graphite, managing partner, Rod Richards, said: "The performance of our portfolio has been remarkably strong during the economic downturn. We delayed making realisations until we could achieve prices that reflected the quality of the underlying companies. As a mid-market firm we are obviously delighted to have generated over £1 billion of disposals since October 2012 and to have achieved a return of almost three times cost."

Senior partners Mike Innes and Simon ffitch, together with investment manager, Simon May, managed the transaction for Graphite.

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