



News release

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Graphite Capital sells specialist recruitment group, NES Global Talent, to AEA Investors for £234 million

Graphite Capital, a leading UK mid-market private equity specialist, has sold NES Global Talent, the international technical recruitment group, to funds advised by AEA Investors LP for £234 million.

NES places highly skilled contract engineers and project managers with blue chip, multi-national clients, principally in the oil and gas industries, and also in the power and infrastructure sectors. It achieves industry leading productivity levels through the rapid identification, placement and on-going support of engineers globally.

Graphite backed a management buyout of the business, led by Neil Tregarthen, in September 2006 at an enterprise value of £70 million.

NES has grown EBITDA organically every year since the MBO despite the difficult economic climate. Net fee income has more than doubled and EBITDA trebled under Graphite's ownership. The company has been transformed from being predominantly UK focused into a global operator, with three-quarters of its profitability now generated overseas, across all continents. The EBITDA contribution from these international regions has increased sixfold since 2006.

NES has rolled out 20 new offices since the 2006 MBO, taking the total around the world to 32. Staff numbers have more than doubled to around 450 and the company has more than trebled the number of contractors on its books to nearly 5,000 in 62 countries.

Graphite has considerable experience of investing in the business services and oil and gas sectors. In addition to NES, it has investments in Alexander Mann

Solutions, the global leader in recruitment process outsourcing, and Dominion Gas, the oil and gas services company. Previous successful investments include general recruitment firms PSD Group and Huntress. More recently Graphite has invested in Teaching Personnel, the UK's leading teaching staff provider.

Commenting on the transaction, Neil Tregarthen, NES chief executive, said: "Graphite has supported our ambitious growth strategy over the past six years. From the outset they shared our vision for NES' global expansion which has transformed our business and driven our growth. We are very excited about partnering with AEA. We believe that their deep network in the oil and gas industry coupled with their international profile and resources will be great assets as we look to accelerate the global expansion of NES over the coming years."

Graphite senior partner, Mike Tilbury, added: "NES is a high quality business run by a very strong management team. Its financial track record in recent years has been exceptional. NES has grown strongly despite unprecedented macro-economic turmoil and is well positioned to continue to take advantage of the substantial global growth opportunities in its target markets."

Senior partner Mike Tilbury, partner Jenny Michelman, senior partner Simon ffitch and partner Mudassir Khan managed the transaction for Graphite.