

26 November 2014

Graphite Capital backs MBO of specialist recruitment business HCIG

Graphite Capital, a leading mid-market private equity firm, has backed the management buy-out of recruitment company Human Capital Investment Group (HCIG).

HCIG is a fast growing, diversified recruitment company serving a range of specialist areas within the public and private sectors in the UK. It trades under a number of brands focused on health and social care, social housing, construction and infrastructure, and engineering. Its leading brands include Eden Brown, Caritas, Synergy, Proactive, ewi and Resourcing Group.

Graphite has acquired a majority stake in HCIG, with debt funding being provided by HSBC and RBS. The highly experienced senior management team, led by group chief executive Tim Cook, is reinvesting a substantial part of its sales proceeds and will continue to run the business.

Founded in 2007, HCIG has expanded rapidly through a combination of acquisitions and new brand launches. It now has 14 offices in the UK and employs 510 staff. In the year to September 2014, HCIG's revenues grew by 28 per cent to £217 million.

HCIG has a high quality and diversified customer base of over 3,000 organisations, with the majority of its placements being long-term. This breadth and stability provides an excellent platform for continued growth in its large and attractive target markets.

Graphite has a long and successful track record in the business services and recruitment sectors. In the last two years, it has sold Education Personnel, the leading supply teaching specialist, for £300 million; Alexander Mann Solutions, the leading provider of talent acquisition and management services, for £260 million; and NES Global Talent, the international technical recruitment group, for £234 million. Its remaining investments in these sectors include TMP Worldwide, the UK's leading recruitment advertising and communications agency.

Tim Cook commented: "We are delighted to be working with Graphite which has a strong track record in the business services sector. They share our vision for the future of HCIG and are ideal partners to help us drive future growth."

Mike Tilbury, Graphite senior partner, added: "This is an exciting opportunity to back an experienced and high-quality team that has proved it can achieve impressive growth and performance in its target markets. Looking ahead, we are planning to expand HCIG through organic development, by making further acquisitions and by launching new brands. We are very much looking forward to working with Tim and his team over the next few years."

Mike Tilbury, investment director Humphrey Baker, partner Mudassir Khan, investment manager Liam McGivern, and senior partner Simon ffitch managed the transaction for Graphite.

Ends