

## News release

16 October 2023

### **Graphite Capital partners with award-winning children's nursery group Storal**

Graphite Capital, a leading UK mid-market private equity firm, has invested in Storal, one of the largest privately-owned children's nursery groups in England. The group operates 26 nurseries and two out-of-school clubs, providing early-years education for over 2,000 children. Storal is one of the highest-quality nursery operators in the UK and was ranked fourth in Nursery World's Ofsted 2023 Quality table.

The group was founded in 2016 by two childhood friends, Varun Chanrai and Ashwin Grover, who had a strong vision of building a leading operator of nurseries in the UK. They were subsequently joined by Sarah Mackenzie, CEO, who brings a wealth of industry experience and has been influential in the sector by shaping the relationship between early-years education providers and their external stakeholders. All three remain committed to delivering Storal's ambitious growth plans.

Storal has built a nationwide presence through successfully launching and acquiring single-site and small group settings and integrating them into its platform. At the heart of Storal's culture is the belief that every child has a different story to tell. In line with this, the nurseries offer children a journey of learning and discovery, where curiosity and creativity meet and childhood is cherished. The group has developed a proprietary curriculum that is rolled out across its nurseries and is designed to support and extend children's understanding, skills and self-confidence, and foster a love of learning.

The UK early-years education provision market was valued at £6.6 billion in 2022 and demand has been steadily increasing, driven by structural drivers such as societal focus on children's educational attainment and growing parental participation in the workforce. There are over 14,000 nursery settings in the UK, the majority of which are single-site. There is increasing cross-party political support for early-years learning, with additional direct funding announced in the 2023 spring budget and a set of regulatory changes aimed at supporting nursery operations, affordability and availability of staff.

Sarah Mackenzie said: 'Graphite's experience in partnering with businesses in the education sector makes it the right partner for the next stage of Storal's development and we are pleased with their investment which will allow us to accelerate our growth. We will

continue to focus on providing high-quality education in the early-years sector at a time when there is increasing recognition of the educational and social benefits of early-years learning. We look forward to working with the Graphite team in the execution of our growth and development plans.'

Tony Saade, Graphite partner, commented: 'The importance of early-years education – both in positively impacting children's development and in increasing parental participation in the workforce – is hard to overstate. We are delighted to be able to play a role in this area and back Sarah, Varun, Ashwin and the Storal team in realising their ambitious plans. As part of our support, we are committing capital to enhance Storal's education provision further and expand its footprint across the UK regions.'

Investment managers Edgar Borg Rodriguez, Zoe Jackson and Thomas Llewellyn also worked on the transaction.