

Solid Solutions secures significant investment from LDC to accelerate growth strategy

Software reseller set to expand footprint and introduce new product and service lines

10 February 2020: Solid Solutions, a market leading reseller of 3D design software, has secured a minority investment from mid-market private equity investor LDC to accelerate organic growth. As part of the deal, Solid Solutions' existing backer, BGF, will exit its minority stake.

Founded in 1998, Solid Solutions is the UK and Ireland's leading reseller of SOLIDWORKS, the 3D computer aided design (CAD) package that is owned by Dassault Systems and used by more than five million people worldwide.

Solid Solutions provides software, support and training to thousands of engineers, designers and manufacturing companies across the UK and Ireland. This includes providing 3D CAD, computer-aided manufacturing (CAM) and product data management (PDM) software tools, as well as operating its 3D printer business, Solid Print 3D.

Its 15,000-strong UK and Irish customer base ranges from product designers, mechanical engineers and manufacturers, to entrepreneurs and educational institutions, and its software has supported a diverse range of projects. This includes being used by the Royal National Lifeboat Institution (RNLI) to design its latest vessel, the Shannon class, all-weather lifeboat, and by Denby to recreate hand thrown pottery. Other customers include Stannah Stairlifts, Oxford Space Systems and contact lens manufacturer Coopervision.

With headquarters in Leamington Spa, Solid Solutions operates from 23 offices across the UK and Ireland and employs more than 230 people. Under the leadership of founder and CEO Alan Sampson, CTO Simon Turner and CFO Kathy Sampson, the business has experienced strong year-on-year growth and now generates annual turnover in excess of £50million. It has also been recognised as one of the '75 best companies to work for' in the Midlands by The Sunday Times for creating an engaging workplace.

BGF, which first backed Solid Solutions in 2016 with £8million investment, has supported the business as it significantly expanded its product and service capabilities with the acquisition of software providers Cadtek Systems, New Technology CAD/CAM, and Solid Solutions Innovations.

Moving forward with LDC's investment and support, the existing management team will embark on the next stage of its ambitious growth strategy to grow organically and explore complementary acquisitions. It will also look to roll-out new services and products, strengthening its position as the UK and Ireland's leading SOLIDWORKS provider.

Alan Sampson, CEO of Solid Solutions, said: "We are experiencing growing demand for our services from a large, expanding customer base, many of whom have been with us for over 20 years. With the support of BGF over the last three years, we have been able to significantly grow our existing activities and acquire complementary businesses that are now core to the Solid Solutions family.

"LDC is the perfect partner to help us on the next stage of our journey. Their investment allows us to accelerate the growth plans for the business by increasing our scale, capacity and capability, enabling customers to benefit from an even wider product and service offering. Our focus is always centred on our partnership with customers. Continued investment in our own growth means we will remain agile and responsive when delivering the world-class service our customers have come to expect."

The transaction was led by LDC's Rob Schofield, Richard Whitwell and Lawrence Dean. Rob and Richard will join the board as Non-Executive Directors.

Rob Schofield, Director at LDC in Birmingham, added: "Solid Solutions is a true Midlands success story, and with its rapidly expanding customer base and standout reputation, the business continues to go from strength-to-strength. The computer-aided software sector has boomed in recent years and this growth looks set to continue. With the increasing demand, and Solid Solutions' established customer portfolio, there is a real opportunity for us to support Alan and his team as they cement the firm's market-leading position."

Ian Downing, an investor at BGF, added: "Solid Solutions has seen fantastic growth over the last three years, testament to a management team with a bold vision for their business and a passion for supporting their clients. We wish them all the very best for the next stage of their journey with LDC."

BGF introduced Colin Garrett to the business in 2016, when he joined as Non-Executive Chairman. Colin will continue to support the business as a Non-Executive Director following LDC's investment.

In February 2019, the business received 17 awards at the annual SOLIDWORKS' conference in Dallas, confirming its position as the UK's leading 3D CAD provider for SOLIDWORKS. It also maintains a Platinum Trusted Service Award from independent review provider, Feefo, with a score of 4.8/5.0, reflecting strong satisfaction by customers.

Banking facilities were provided by Muzinich & Co. Limited and Santander.

LDC was advised by Gowlings (legal), DC Advisory (Corporate Finance) and BDO.

Solid Solutions and its shareholders were advised by KPMG (Corporate Finance), EY (Financial Due Diligence), Shoosmiths (Legal) and CIL (Commercial Due Diligence).

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For press information, contact:

LDC

Citypress

Bex Thomas

0161 235 0329

Bex.Thomas@citypress.co.uk

BGF

Katie Flynn, PR Manager

katie.flynn@bgf.co.uk

07778 472 803

Notes to editors:

About LDC

1. LDC is the private equity arm of Lloyds Banking Group and is authorised and regulated by the Financial Conduct Authority.
2. LDC has committed to invest £1.2bn in UK mid-market businesses over the next three years.

3. LDC has a portfolio of 90 businesses across the UK which collectively generate £6bn of revenues and employ in excess of 30,000 people.
4. LDC invests in a broad range of sectors including Healthcare, Industrials, Retail & Consumer, TMT, Travel & Leisure, Support Services, Construction & Property and Financial Services.
5. LDC has a nationwide network of regional offices to provide a local presence to the businesses and communities it supports.

For further information, visit www ldc co uk/pressrelease

About BGF

BGF is the most active and influential investor in small and mid-sized businesses in the UK. An established and independent company, it has £2.5bn to support a range of growing companies – early stage, growth stage and quoted – across every region and sector of the economy.

BGF makes long-term equity capital investments in return for a minority stake in the companies it backs. Initial investments are typically between £2-£10m and BGF can provide significant follow-on funding. BGF is a minority, non-controlling equity partner with a patient outlook, based on shared long-term goals with the management teams it backs. With a 150+ strong team, BGF offers an unparalleled international network of business leaders, sector experts, board-level non-executives and provides in-house support with Chair and senior executive selection and appointments.

BGF offers flexible investment structures with a mix of equity and shareholder loan notes. BGF can provide equity release for existing shareholders, and funding to support acquisitive and organic growth strategies.