



the pebble group

the pebble group



“We really enjoyed the journey with Chris, Claire and the whole Pebble Group team. Over a relatively short period we were able to support a number of significant initiatives and improvements in different ways and the Pebble Group is now in its next, exciting stage of development and growth. Chris, Claire and the team did a terrific job and we are proud to have played a part in helping the business achieve its potential”

Tom Falcon, Elysian Partner and former Chairman of Pebble Group

Broadening services and geographies, organically and by acquisition

Background to the deal

In May 2017, Elysian acquired a majority stake in Brand Addition, a provider of promotional products to global brands headquartered in Manchester, to support a secondary buy-out.

Brand Addition was established in 2010 from three separate businesses within 4imprint plc and was acquired as a part of a management buy-out in February 2012. The management team, led by CEO Chris Lee, focused on the promotional supply market for global corporates and expanded the geographic reach of the company by opening an office in Shanghai and acquiring a US promotional merchandising company.

David Colclough, Elysian’s partner based in the North West, was able to ensure that Elysian were well positioned as the company came to market culminating in a positive early discussion between Elysian, Chris and Claire Thomson, the CFO.

Elysian was attracted to the business given its strong track record, impressive management team and the opportunity to grow geographically as well as win share in a large, growing, but fragmented market. Elysian also recognised that recently the team had successfully made a US acquisition with good prospects and opportunities to improve. Overall the promotional products market was estimated to be worth \$50 billion in 2018.

“The Operating Partner model sat the heart of the approach taken by Elysian as they supported us in executing upon the strategy of the business. Examples of this were helping us re-organise our European back office functions and working with us on completing what proved to be a transformational acquisition. As we agreed upon our exit strategy, we continued to work very closely together which ensured a smooth process and enabled all parties to successfully move forward. We learnt a huge amount over our 2 ½ years together and I thank everyone at Elysian for their support”.

Chris Lee, CEO of Pebble Group

Elysian Capital LLP
Mansfield House
1 Southampton Street
London
WC2R 0LR

T: +44 (0) 207 925 80 50

“Elysian were great at providing the right balance of support and challenge throughout their period of ownership. When it came to the transaction and it really mattered, they were alongside us as one of the team, supporting our knowledge with their experience and in particular helping us deliver and manage the large number of deal workstreams. Over and above the practical impact of having them alongside us, they were always available at the end of the phone helping understand and navigate the technical complexities and challenges that arose along the way”.

Claire Thomson CFO, Pebble Group

Diversifying Services and Geographies

The holding company was renamed The Pebble Group to facilitate investments in other businesses within the sector.

In December 2018, Pebble acquired Facilisgroup, a SaaS provider of business intelligence, buying power and community services to SME promotional product distributors in North America. Its @ease proprietary software provides CRM and sales management, order processing, invoicing, real time reporting and a white labelled, managed, product website, which can be branded for each partner.

As a consequence, the Pebble Group consisted of two differentiated businesses, each focused on specific areas of the promotional products market. Brand Addition creates and supplies promotional merchandise for global brands while Facilisgroup provides a subscription based service to SME promotional products distributors in the North American market.

By 31st December 2019, the Pebble Group had grown to annual sales of £107m and adjusted EBITDA of £15.2m. Brand Addition, with revenue of £98m, distributed to over 150 countries and had 23 clients spending more than £1m per year. Facilis had 149 SME promotional product distributors and over 100 preferred suppliers making it the largest buying group of promotional goods in the North American market. Total Partner sales processed through the @ease SaaS platform were US\$801m.

The Exit

The Pebble Group was admitted to the London Stock Exchange's AIM market on 5th December 2019. The IPO valued the business at £176m and Elysian crystallised a 4.7x return, 3.2x in cash at the IPO and a further 1.1x represented by a 13.9% share in the listed company.

Chris Lee (CEO) and Claire Thomson (CFO) remained with the business to lead Pebble as a public company.