

Foresight completes sale of FFX to H2 Equity Partners, delivering a 4.3x return

- **The third successful exit for Foresight's Private Equity team in last twelve months**
- **In aggregate £17.0m returned to Foresight funds**
- **FFX has more than tripled revenues since Foresight's investment**

London 27 January 2021: Foresight Group LLP ("Foresight"), a leading independent infrastructure and specialist regional private equity investment manager, is pleased to announce the successful sale of FFX Group Limited ("FFX" or "the Company"), one of the UK's largest independent suppliers of high quality power tools, fixings and building supplies.

FFX was sold to H2 Equity Partners ("H2"), a leading hands-on investment firm focusing on mid-sized companies in the United Kingdom, Ireland and Benelux. H2 will be a strong strategic partner for FFX, allowing the business to continue its growth potential through further investment.

Since Foresight made its original investment in October 2015, Foresight has taken a proactive approach to supporting the senior management team, for example introducing Chairperson George Adams who has extensive experience in the sector, including sixteen years at Kingfisher, three of which as Chair of Screwfix.

During the investment period, the Company opened a new 60,000 sq ft distribution centre and a new head office in Kent. The business updated its brand and launched an extensive range of its own products. A direct sales team was established in order to expand FFX's customer base to include larger contractors and specialist subcontractors and sell direct to site. Throughout, FFX has continued to develop its online presence both at ffx.co.uk and via eBay. Staff numbers have increased by over 125 since Foresight's investment. The Company has continued to invest in its senior management team, with experienced, multi-channel retail executive CEO Chris Yates joining the business in 2019 and a Group Finance Director and eCommerce Director joining in 2020.

This successful exit returns £17.0m to Foresight funds, 4.3x its initial investment. Foresight funds will also receive deferred consideration of up to c.£450k.

This represents the third successful realisation by Foresight's Private Equity team in the last 12 months, including a six times return on ecommerce business Clubhouse Golf, cementing their position as one of the most active SME investors in the UK market.

Patrick Ker, Deputy Chairperson of FFX, said: "Having worked with several PE firms over the years I say with all honesty that our time with Foresight has been a revelation. Supportive where necessary, challenging but never confrontational, and personable to boot, Foresight understands the need to maintain the blend of entrepreneurial culture with improved processes within successful, growing SMEs. I'm delighted it has been a successful investment for all shareholders."

James Livingston, Partner at Foresight, added: "It's been fabulous to work with Patrick and the wider team at FFX, supporting their rapid growth, launch of new products and opening of a new sales channel. The business has grown to become one of the major challengers in the sector and continues to deliver exceptional customer service. We wish FFX every success for the future with H2."

PRESS RELEASE



Foresight and the other shareholders were advised by:

Corporate finance: Arrowpoint

Legal: Shoosmiths

Financial diligence: RSM

Commercial diligence: CIL

Digital diligence: Pattern

ENDS

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Notes to Editors

About Foresight Group LLP ("Foresight"):

Foresight is a leading independent infrastructure and private equity investment manager which has been managing investment funds on behalf of institutions and retail clients for more than 35 years.

Foresight has c.£6.8 billion of Assets Under Management across a number of funds, including Listed Vehicles, Limited Partnerships, Enterprise Investment Schemes (EISs), Venture Capital Trusts (VCTs), Inheritance Tax Solutions using Business Relief (BR) and Open-Ended Investment Companies (OEICs).

Foresight's Private Equity Team, comprising over 30 investment professionals, manages c.£700 million in a portfolio of more than 100 companies and pursues four discrete but complementary investment styles: Venture, Impact, Growth and Replacement Capital through its growing regional office network.

Foresight was a commended finalist in the Best Venture Capital Trust Provider category at the 2020 Investment Life & Pensions Moneyfacts Awards. Foresight was named 'Fund Manager of the Year' at the PLC Awards last year, 'Generalist VCT of the Year' at the Investment Week Tax Efficiency Awards 2018/19 and was a finalist in the 2018 Unquote British Private Equity Awards as Venture and Growth Capital House of the Year.

Foresight's largest office is in London with regional UK offices in Edinburgh, Manchester, Nottingham, Milton Keynes, Leicester, Cambridge and Guernsey and international offices in Sydney, Rome, Madrid, and Luxembourg.

www.foresightgroup.eu

About FFX

PRESS RELEASE



FFX sells over 90,000 product lines across power tools and related accessories, hand tools, fixings and fasteners and general construction consumables. FFX is widely regarded as one of the leading online retailers in the sector.

www.ffx.co.uk