

CASE STUDY

ARLINGTON INDUSTRIES



Shawbrook Bank and Wells Fargo deliver £45m club deal to fund Arlington Industries' acquisition of Magal Engineering

A two-funder syndicate, comprising Shawbrook Bank and Wells Fargo has delivered a £45,000,000 senior debt and cash flow facility to enable the acquisition of automotive mechanical engineering firm Magal Engineering by Arlington Industries. The transaction will also provide additional working capital to support the growth of the enlarged £170m turnover group. Clearwater International acted as debt advisors to the shareholders of Arlington Industries.

Arlington Industries Group Ltd is a Midlands-headquartered company that integrates supply chains across aerospace and automotive markets to deliver greater efficiency to global Original Equipment Manufacturers (OEMs). The Group continues to enhance its supply chain offering by acquiring businesses across aerospace and automotive industries.

With nine sites in the UK, one in France and a diverse workforce of over 650+, Arlington Industries provides a vast range of products and services, such as design and manufacture, welding, pressings, coatings, assembly, metrology, PPM (planned preventive maintenance), service and maintenance and logistics. Arlington Industries is backed by US Private Equity firm, Cartesian Capital.

Magal Engineering has worked in partnership with the global automotive industry for over 50 years. Magal is a specialist automotive component and system supplier, a UK based company with manufacturing facilities in the UK, France,

Turkey, India, USA and China. Within the Global automotive market the Magal name is associated with delivering complex design solutions, consistent quality, on-time delivery, a depth of engineering capability and competitive pricing. Magal is recognised as a Tier 1 global strategic supplier to the major OEMs, attaining preferred supplier status with Ford, Daimler, Jaguar Land Rover, Renault Nissan and PSA.

"An acquisition the scale and quality of Magal Engineering shows a significant statement of intent from Arlington. Shawbrook Bank has stuck with us through thick and thin as our original bank and we were delighted at their foresight and willingness to complete a club transaction to deliver the right level of funding to meet our ambitions. Shawbrook understands our business and we understand them."

Mark Franckel, Group CEO of Arlington Industries

"This was a complex transaction with a number of moving parts and the solution required imagination and agility from our team in creating the optimal deal structure. We always take a collegiate approach in meeting the needs of our clients and were pleased to extend this ethos when partnering with Wells Fargo to deliver this substantial transaction for this rapidly expanding Midlands-based group."

Nick Leitch, Managing Director, Midlands, Shawbrook Bank Limited

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