

## Backing success for the long-term

Huddersfield firm VTL is providing cutting edge technologies for some of the biggest names in the motor business. Its growth has been made possible by help from BGF. Mark Casci spoke to VTL chief executive Bruno Jouan and BGF's Barry Jackson to learn more.



Helping hands: BGF's Barry Jackson and Huddersfield business VTL chief executive Bruno Jouan at VTL's premises.

### VTL CEO, Bruno says...

The firm we have today was formed after a management buyout in 2001 and we have been able to grow the business well since then.

However, as the business evolved and we started looking at how we could take things to the next level it was clear we were going to need some extra funding.

I had initial contact with BGF in 2012, when we began to really think about how much potential there was for VTL to grow.

The types of projects we were getting involved with were changing; they were getting bigger and more capital intensive.

So to continue to expand and grow the business, and to be involved with high-end projects and major manufacturers, we knew we needed more investment. We could see that trend.

BGF has been able to provide us with support for new projects and new customers, whenever we have needed to move to the next level.

BGF has been able to help us make it happen.

The quality of equipment we use has to be the very best that there is. We have the best technology on the market right now – and that differentiates us from other subcontractors.

For example, at our new site in Bradley we developed a new production line that has helped us take on two new major contracts for Ryobi UK and Jaguar Land Rover. We are machining critical components for all JLR's four cylinder and six cylinder petrol engines.

When I was made aware of BGF they were pretty new on the scene. But as soon as I met the team I liked them, and they had the solution that we needed. We were not interested in having a private equity house taking a majority control in the business. That wasn't what we wanted to have at all.

We wanted someone who would take a long-term view rather than having the investor knocking at the door asking 'when are we out?'. And we wanted someone who would provide support, but would let us get on with running the business ourselves. I did not want to give up control.

BGF work alongside us as partners and have helped us to achieve what we wanted, on a basis that works for the business. Barry has become part of the team here.

We are making decisions based on what the business needs, not what the investment timetable dictates.

Since BGF has been on board, we've been able to win new contracts because we've had the investment, support and confidence to take them on. We wouldn't be where we are now without their financial backing. It's the combination of VTL and BGF that has put us into a space where we can compete with the biggest players in the business.

### BGF Investor, Barry says...

Bruno and the management team are very ambitious and experienced individuals. When we first met they already had a demonstrable track record and very clear vision of where they wanted to go.

BGF has now invested £7m, having nearly doubled our initial investment over the last few years.

The funding is focused on new capital equipment and helping VTL compete for bigger and more prestigious contracts. One of the attractions for us, and probably for Bruno, was that once you bring BGF on board you have a partner in place who can continue to provide funding through all stages of the business's life cycle. So, as the VTL team has continued to grow the company, we have been able to provide support along the journey.

We are not exit-focused, we are long-term investors. When we went into VTL there was no arbitrary timeframe and automotive in particular is a sector where you need to have a long-term philosophy.

We were backing a business that had some powerful differentiators.

VTL is best in class, it is a business of scale and is operating as a high-end manufacturer. The prospect of us putting more money into VTL made it not just about an investment at a particular point in time – it was about backing the management team for the long-term. There are still lots of opportunities for us both.

VTL operates in a very competitive industry where you cannot stand still. It has a US operation and an Indian operation, it is a real global business.

I sit on the board and have done for three years. I get to hear first hand the challenges the business has.

It hasn't all been plain sailing of course, but whenever we have had difficulties we have been able to put together a clear plan to deal

with them. That is the advantage of having a partner. When it comes to making a strategic call or possibly putting more money in, I know from my direct experience of working with Bruno and his team that their plans will be credible because I have seen them deliver a number of times previously.

The highlight for me has been the work they have done for the new engines. That was the point where I could see a real step change in the business in terms of the type of contracts they could win.

The work for JLR is on another level in terms of the scale of the VTL's capital investment programme. I have enjoyed seeing the Bradley facility evolve from its foundations, and today it looks to be starting very well. It has literally gone from an empty floor to a state of the art space housing cutting edge technology. When you take time to stand back, you can see that there has been something really materially valuable created.

When a business gets some momentum behind it, it becomes something powerful and for me VTL feels like it has that momentum. In terms of manufacturing and its ability to bring on new work quickly it is exciting and a privilege to be part of the team.

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