



CAPLE

FUNDING
GROWTH &
OWNERSHIP

Funding Announcement

Caple supports MBO at Dryad Creative Ltd with long-term, unsecured financing

Caple has supported the MBO at Dryad Creative Ltd with a multi-million pound, fully unsecured loan. The loan required no form of security and worked as a complement to the company's secured lending provider, Bank Leumi.

The Dryad Group is the largest supplier of arts and craft materials to educational providers in the UK, Ireland and Middle East, as well as the wider international market. With a strong reputation for quality and logistical efficiency it supplies high quality student focused product and has developed a comprehensive own-brand range, which provides a competitively priced alternative to the recognised market brands.

When an opportunity arose for the current management team to buy-out the business from its existing shareholders, Polestar Corporate Finance were engaged as advisors. Caple worked alongside Polestar to ensure we understood the business and market sufficiently well to offer an appropriate, fully unsecured loan to support the transaction. Importantly, as the loan required no charges or any other form of security, it complemented rather than replaced the working capital facilities provided by Bank Leumi.

"With Dryad we recognised the opportunity for both exiting shareholders and management to benefit through an MBO. Using Caple's products alongside Leumi providing an international working capital facility enabled us to facilitate the buyout without having to resort to external funders such as private equity. This meant management was not forced to dilute their equity. At the same time, the long-term profile of the Caple loan places lower repayment requirements on the business than a smaller traditional bank loan, giving a strong financial foundation from which to grow."

Richard Hall, Partner, Polestar

"In the SME space it is so important that the management teams tasked with driving the business forward are also the people who benefit from the value that they create. Utilising a mix of long-term strategic credit and shorter-term working capital facilities ensures that the business has the optimal financing mix to ensure there is no undue cashflow pressure on the business under a new ownership structure. This allows the business to get off to the best possible start."

Sean Brophy, Country Manager, Caple