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NVM Private Equity launches Evolve Investments
Post-downturn there is much scope to help UK businesses
recover profitability and grow value

NVM Private Equity (NVM) is backing two seasoned managers to seek fundamentally sound or over-leveraged UK businesses suffering reduced profitability post-downturn. Business improvement and Turnaround specialists Ross Stuart (Chairman) and Ken Davies (Director) will work with James Arrowsmith at NVM to source and fund these opportunities.

James Arrowsmith, NVM comments: *“We believe that the environment for under-performing companies will change significantly over the next twelve months. We are seeking out businesses which have probably underperformed as a consequence of the recession so may be unable to fully service their existing debt, or have banks unwilling to maintain their level of exposure as it falls outside their current interest cover/gearing parameters. By partnering with Ross Stuart and Ken Davies, NVM can use their extensive experience of business improvement and turnaround situations to release sound businesses from the restrictions of their financial or the financial position of their group, helping them to return to profitability.”*

UK businesses experiencing significant or critical financial problems have risen by 88% in the first quarter of 2010. Failures are forecast to increase in 2010/11, however despite these statistics and forecasts, the number of business failures so far during the recession have not been as high as expected. This is credited to unprecedented Government support, through the HMRC ‘**Time to Pay**’ and **Enterprise Finance Guarantee** schemes. Banks have had less appetite to crystallise losses so there has been a reduced demand on businesses to repay loans. This is likely to change as banks will be under pressure to deal with underperforming loans as the economy recovers. **The Institute for Turnaround** reports that the ‘Time to Pay’ scheme in particular is being wound down so government funding for distressed businesses is likely to dry up. Both Ross and Ken are accredited members of the Institute for Turnaround, the leading professional body for turnaround in Europe.

Ross Stuart, Evolve Investments Chairman comments: *“Our unique blend of change and turnaround experience, backed by a respected private equity fund, will enable us to quickly identify and then improve the profitability and growth prospects of businesses we invest in. This is likely to continue to be a very demanding market for quite some time, nevertheless we believe the market can present significant opportunities for those skilled in business transformation; hence our optimism about the opportunities ahead”.*

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Notes to editors:

NVM Private Equity Limited (NVM) is independently owned with over 25 years' experience of investing in unquoted UK businesses. NVM is a generalist investor, managing £200 million of funds, and is differentiated by having executives living and working in regional business communities throughout the UK. NVM seek investment opportunities in UK businesses which have the right mix of growth potential and market vision. They may be looking to grow organically, acquire another business or secure a management buy-out. Typically, NVM look to invest between £2 million and £10 million. www.nvm.co.uk

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