

Case study Building a market leader

Wood
Mackenzie

Funded by



Wood Mackenzie

Leading research provider to the world's energy and metals industries

Background

Edinburgh-headquartered Wood Mackenzie is today one of the leading research providers and consultants to the world's energy and metals industries.

Its modern history can be traced back to 1973 when it began producing commercial reports analysing the North Sea oil & gas industry. After significant growth over the next three decades, it was acquired by Deutsche Bank in 2001 before UK private equity house Candover made its first investment in 2005 to help the business with its growth plans. In 2007 Candover invested additional funds for a majority stake.

The company was sold to Charterhouse Capital Partners for an enterprise value of £553m in 2009, by which point Wood Mackenzie had created more than 250 jobs, increased revenues by over 50% and was one of the largest commercial research and consulting companies in the world.

Strategy

For Candover, Wood Mackenzie had long been identified as a well-managed business with real potential for growth. By 2005 the company wanted to invest to grow and had identified acquisition targets in its core energy market covering upstream and downstream oil and gas as well as in complementary sectors such as coal and metals and minerals. Candover saw an opportunity to back a global brand with a proven track record and a dynamic and cohesive management team, well placed to further develop its international presence in adjacent markets.

During Candover's investment, Wood Mackenzie acquired three of its peers - coal specialists Hill & Associates in the US and Barlow Jonker in Australia, and UK-based metals analysts, Brook Hunt.

Performance

Between 2005 and 2009, Wood Mackenzie's revenue grew by 53% and earnings before interest, taxes, depreciation, and amortization by 40%. Its enterprise value increased from £146m to £553m. In fact the company's performance was so strong that all of the investment by Candover was recouped in December 2006 through a recapitalization. Candover's overall return at the time of exit was 2.7x its original investment.

Job creation

When Candover first invested Wood Mackenzie employed 358 employees. At the time of exit this stood at 621.

Investor:	Candover
Location:	Edinburgh
Sector:	Support services
Stage:	LBO
Exit:	June 2009
Company Website:	www.woodmacresearch.com
Investor Website:	www.candover.com