

## Cairngorm Capital merges Grant & Stone and IBMG, creating the largest builders' merchant group in the South of England

**London and Edinburgh, 20 September 2021:** Cairngorm Capital Partners is pleased to announce that it has merged two of its portfolio companies, Grant & Stone Group and Independent Builders Merchant Group (IBMG), creating a builders' merchant group with 123 branches, revenues in excess of £500 million and over 1,700 employees. The new Group extends from Cornwall to Kent and comprises builders' merchants, electrical wholesalers, plumbers' merchants, kitchen and bathroom showrooms, roofing merchants, a timber processing site and a dedicated ecommerce business.

Both Grant & Stone and IBMG have prospered from Cairngorm Capital's expertise in supporting their transformational growth. Cairngorm Capital acquired Parker Building Supplies in March 2018 and following three further acquisitions in 2019, plus investment to support organic growth, it has increased the scale of the business from 15 branches and revenues of £67m, to 39 branches and revenues of over £200m. Grant & Stone has experienced a similar trajectory through a mix of acquisition and organic growth, growing from 29 branches in the Thames Valley and revenues of £100m at the time of Cairngorm Capital's initial investment in November 2019, to 84 branches extending from London to Cornwall, generating revenues in excess of £300m.

Strategically, the merger is the natural evolution for both companies. The combined group becomes the largest independent builders' merchant group in southern England and creates a solid platform for continued growth, new market entry and further M&A activity.

At a group level, the new combined company will be known as Independent Builders Merchant Group (IBMG). However, given the strength and trust invested in the group's 12 market-leading brands<sup>1</sup>, the existing trading names and brands will continue to be used for all customer-facing activity.

Nick House, Group Chief Executive of Grant & Stone, will lead the new combined IBMG business, with Peter Cudd (Group Managing Director). They will be supported by a new Group Board, led by David Moore as non-executive Chairman and executive directors – Allun Pittingale (Group Managing Director for IBMG South East), Kevin Fenlon (Group Projects Director and Chief Executive of RGB) and Richard Robinson (Group Chief Financial Officer).

**Alex Bayliss, Managing Director of Cairngorm Capital** said, *"Today's merger is the logical outcome of a strategy that we have been advancing since our initial acquisition of each company. Both are really great businesses, each with an exceptional leadership team that has the talent and the appetite to lead an enlarged company. We are excited to see the impact they can have now they are able to collaborate."*

**Nick House, Group Chief Executive of IBMG**, said *"This merger is the natural progression for both companies. Our branch networks and product ranges are highly complementary and our values, vision and commitment to customers are completely aligned, which creates exciting opportunities for us all. We have ambitious goals to fulfil but IBMG is well structured, with strong investor support, exceptional products, first-rate employees and a well-deserved reputation for superior service. I look forward to leading the next phase of development."*

**Allun Pittingale, Group Managing Director of IBMG South East** added, *"This merger is exciting and as both companies can learn much from each other, it will deliver great things. I am looking forward to working together with Nick, David and my fellow directors to develop the long-term strategy and future direction of the new group."*

Cairngorm Capital was advised by Grant Thornton (financial due diligence), PwC (tax structuring) Gowling (legal) and MDW Capital (financing advice). Funding was provided by Ares and Santander.

**For further information, please contact Katherine Ritchie on 020 8347 6183 or 07941 040021**

## Notes for editors

1. IBMG's 12 market-leading brands are: Buildit, Chandlers Building Supplies, Chandlers Roofing, CRS Building Supplies, Devondale Electrical, Fairalls Builders Merchants, Grant & Stone, Parkers Building Supplies, RGB Building Supplies, Stamco Timber, Total Plumbing Supplies, and Trading Depot.

**Cairngorm Capital Partners LLP** is a specialist private investment firm providing equity capital and management expertise to leading UK companies. It invests in strongly-performing, private mid-market growth companies in manufacturing, distribution and services industries. The firm's goal is to build and realise value through growth and performance improvements. Cairngorm Capital's unique mix of sectoral expertise and investment skill enables it to be actively involved in the strategy and operational focus of portfolio companies, partnering with management teams to grow revenue, enhance margins, improve cash flow or consolidate industry leadership positions.

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Cairngorm Capital's current portfolio includes majority owned stakes in:

[Bromborough Paints](#)

[Building Supplies Online](#)

[E-zec Medical](#)

[Independent Builders Merchants Group](#)

[Millbrook Healthcare](#)

[MRO+ Solutions Group](#)

[National Timber Group](#)

[Sentry Doors](#)

[Verso Wealth Management](#)

[Whyte Bikes](#)

**Independent Builders Merchants Group** is the largest independent builders merchant group in the South of England. The business primarily serves trade customers with an extensive range of heavyside building materials, civils, plumbing, wholesale electricals, roofing, timber and ancillary product lines including kitchens, bathrooms, joinery and architectural ironmongery. Independent Builders' Merchant Group has 123 branches operating from Cornwall to Kent, with combined revenues in excess of £500 million and over 1,700 employees.

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