

JULY 2022

## HOME HEATING SPECIALIST EXPANDS FOLLOWING INVESTMENT



A home heating specialist has made its first acquisition following a £3m funding injection from Liverpool-based multi-family investment office Arete and the newly launched Tosca Impact Fund.

Direct Heat Group has acquired Fairways Fireplaces, the largest fireplace showroom in the West Midlands. The deal will allow Direct Heat Group to have a bricks and mortar presence that will bring all of its brands under one roof for the company's extensive range of stoves, fireplaces and Cotswold Teak garden furniture.

Originally established as Fireplace Warehouse in 2005, founder Adam Leah built his business selling and distributing fireplaces and stoves online.

In 2011, he joined forces with fellow stoves and fireplace expert, Ryan Hancock, merging their expertise under one distinct offering.

As the first retail unit of its type for the newly merged company, the 4,000 sq ft Bromsgrove showroom will act as the blueprint for future showrooms, as Direct Heat Group pursues further growth. Direct Heat Group has a fireplace and stove showroom in Manchester.

Co-founder of Direct Heat Group, Adam Leah, said: "Over the next four years, we are aiming to have an additional four showrooms, all in strategic locations across the country, putting us within a 1.5-hour drive of 80 per cent of the UK population.

"Working with Arete and Tosca has already helped us to put that plan into motion as we position ourselves as leaders in the UK's home heating market."

Arete partner, Ben Hatton, who is now part of the Direct Heat Group board, added: "M&A was always part of the growth plan and we're pleased to have been able to take this first step so quickly. It's a mark of our collective ambition to reach the forecasted £20m in sales within the next financial year."

The deal was led by Mike Bound from Arete and David Middleton from Cole Associates, with Terry Moore and Olivia Sturgess of Myersons advising on legal and Claritas advising on tax.