

Management Buyout completed at leading stove manufacturer, Arada Ltd

The Axminster based stove manufacturer, Arada Limited has undergone a Management Buyout led by Directors Mark Brettell and Jon Butterworth. David Middleton of Cole Associates Corporate Finance advised management on the transaction which was funded by Leumi ABL and NatWest.

Arada is one of the UK's leading independent family owned manufacturers of wood and multi-fuel stoves. Founded in the 1970's the business employs over 80 staff with a turnover of £6.7million. Based in Axminster, Devon, the company operates from a 3.86 acre site, encompassing 54,000 sq ft offices, manufacturing and warehousing facilities with established distribution channels in over 15 countries. Investment over the years means modern manufacturing facilities and latest technology keeps the company at the forefront of the UK stove industry, and most importantly, maintains manufacturing of all its products very firmly within the UK.



The deal sees the current management team of Mark and Jon acquiring a majority stake from the founding Burgis family, who will retain a minority stake in the business. The transaction has provided the business with an appropriate funding structure to facilitate the staggered exit of the long standing family shareholders, and will help to support the current management team's future growth strategy.

Mark Brettell, Director said:

“Having worked for the original family owners for the past two decades I consider it a great privilege to be able to be entrusted with the future of one of the best known companies within the stove industry. It is a credit to all at Arada that Jon and I have the confidence, experience and support to lead what has been and will remain an independent company and to take the company forward in a seamless transition. Having been through many challenging years the time is seen as right for this change of ownership which will ensure the continuation of the very ethos that has been at the heart of Arada for so many years. I am deeply grateful to the support from the current owners to facilitate the purchase and the dedicated staff who continue to work so tirelessly for the company.”

Jennifer Burgis, whose father founded the business said:

“The legacy of the business was extremely important to our family. We have such a strong heritage in the region and are, therefore, delighted that the long serving management team are taking over. They understand the DNA of the business and we wish the best to John and Mark as they take the business from strength to strength, and to all our employees who have worked so hard to make Arada successful.”

Jon Butterworth, Director said:

“This is an exciting point in the company’s history, maintaining independent ownership and clear direction for the future development and stability of the business. This announcement is good news for our customers, employees and suppliers. I am delighted that Mark and I have secured the purchase of Arada Ltd. This announcement and the new shared ownership structure will allow Arada to continue investing in product development whilst preserving the heritage of the business.”



Arada Directors Jon Butterworth (left) and Mark Brettell (right)

The management team was advised by David Middleton of Cole Associate Corporate Finance with tax advice from Richard Massey at Christian Douglass Chartered Accountants. Legal advice was provided by Barney Leaf and John McDermott at Laytons LLP.

The owners of Arada Ltd, the Burgis family, were advised on the sale by Paul Crocker and Matthew Willmott of PKF Francis Clark Corporate Finance. Duncan Sykes, Tim Young, Will Whitt at Foot Anstey provided legal advice.