

## CASE STUDY



## Background

Established in 1809, Denby manufactures high quality stoneware from its Derbyshire factory, where it also welcomes 250,000 visitors a year to the Denby Visitor Centre. Having been acquired in a traditional private equity transaction several years prior to Hilco's involvement, Denby became overleveraged with a £72 million historic debt burden, a substantially underfunded final salary pension scheme and a high fixed cost base.

BDO and Clearwater had been seeking a purchaser for the business since July 2008 and, with the lender group unwilling to advance further funds, were carrying out contingency planning for an administration.

## Hilco Capital's role

- Backed £30m MBO in February 2009
- Provided finance and working capital to stabilise the business while restructuring plan developed
- Senior Hilco team took roles on Denby's board
- Wider Hilco team provided support in areas including IT, HR and store operations
- Led full review of brand architecture and guided brand extension and partnership strategies
- Hilco Property renegotiated leases, relocated warehouse and managed rapid expansion of outlet store portfolio
- Financed acquisition of other heritage pottery companies
- Recruited new, highly experienced MD to grow the business internationally

## Results

- Secured 600 jobs and the future of a historic British manufacturing business
- 100 additional jobs created to date
- Doubled the number of outlet stores to 28 within 18 months, increasing retail turnover by 75%
- Enduring partnership with fashion & home brand Monsoon launched in October 2009
- Successful cookware and cutlery ranges launched
- Acquired Burleigh, Poole Pottery & Hartley Greens
- Substantial expansion in South Korea
- Business returned to profitability
- Won Insolvency & Rescue Awards 2009 'Business Rescue of the Year'

## Key facts

1809

established in  
Denby, Derbyshire

2009

Hilco Capital backed  
£30m MBO

£51m  
turnover

760

employees

