



PRIVATE EQUITY IN ACTION - CASE STUDY

# Napier Turbochargers



<b>Country</b>	United Kingdom
<b>Region</b>	East Midlands
<b>Investor</b>	Primary

When Primary bought Napier Turbochargers in 2008, it was a non-core business of Siemens making large industrial turbochargers for gas and diesel engines used in ships and power generation. Under Primary's guidance, Napier underwent an 18-month transition from a company highly dependent on Siemens' infrastructure to a robust, stand-alone business.

By focusing on innovation and securing new and profitable sources of business, Primary took a company division and turned it into a strategic partner to the largest global engine manufacturers. Primary sold Napier in January 2013 to New York-listed rail technology group Wabtec Corporation, earning 5.5 times its investment.

## What did the business need?

- Investment in new equipment
- Assistance to build a stand-alone business
- New product development programme

## How did private equity backing create lasting value?

- Built the infrastructure required for Napier to flourish as a stand-alone business
- Put in place new management team drawn from Siemens and Primary networks
- Invested significantly to re-establish Napier's 200-year-old brand
- Provided capital for state-of-the-art machinery to drive improvements in efficiency and productivity

**2x**  
increase in R&D spend

**25%**  
increase in revenues



We enjoyed a productive and robust relationship with Primary during their ownership of the business. They were supportive of the management team's strategic objectives, offered constructive

advice and, where required, ensured the

- Introduced after-market service centres around the world to strengthen global coverage of the business
- Doubled R&D spend to develop new products with greater energy efficiency and reduced emissions
- Brought in new marketing to increase after-market sales

## What outcomes did private equity investment achieve?

- Increased profitability from 13% to 32% of sales through operational and productivity improvements
- Established Napier as a technology leader as a result of increased R&D spend
- Expanded customer base to include global engine manufacturers
- Increased revenues from €24m in 2009 to €30.6m in 2012

## More information

[Napier Turbochargers](#)

[Primary](#)

**business plan was stretched but achievable.**

ANDY THACKER

CEO

Napier Turbochargers

