MML backs existing CG management and acquires CG Power Systems Ireland Limited

Capital provides solid financial footing for business to grow and secures over 400 jobs in Cavan

Cavan, Ireland, July 2020, MML Growth Capital Partners Ireland (“MML”), today (Wednesday July 1st, 2020) announced that it has agreed a deal to acquire CG Power Systems Ireland Limited (CG Ireland), the manufacturer of distribution transformers. The deal, which sees MML as the largest single equity holder, represents a significant investment in the business alongside the current management team. CG Ireland, has, up to now, been part of the Avantha Group, an Indian headquartered conglomerate with a diverse portfolio of power related products and solutions. It is to be acquired from liquidators Kris Van den Berghen, Elke Van Weerdt and Yves Desutter, appointed to CG Ireland’s direct parent CG Power Systems Belgium NV, following difficulties in the broader Group.

The investment will enable CG Ireland to be rebranded and to continue to service its broad international customer base with its best in class product portfolio from its Cavan facility. Furthermore, it secures the employment of its 410 primarily Cavan based employees. It is anticipated that the change of ownership will facilitate significant investment into the Cavan plant, something that has been difficult to achieve in recent years. The business will continue to be led by existing management team under the leadership of Managing Director, Stephanie Leonard.

CG Ireland has been manufacturing in Cavan since 1977 having been established by Pauwels Trafo of Belgium. The Pauwels Trafo business was acquired by CG, part of the Avantha Group in 2005. CG Ireland manufactures a range of distribution transformers, from small and large pole mounted units to ground mounted units for distribution networks and a diverse range of industrial applications – electrical vehicle charging stations, battery storage, solar, tidal, and both onshore & offshore wind farms.

CG Ireland is working with all leading electrical network owners (utilities) across Ireland, UK & Belgium, including ESB Networks. It has successfully expanded into continental Europe in recent years and expects to accelerate this growth following this investment. The business achieved revenues of c. €70m in the year to 31 March 2020.
The MML investment will be made from MML Growth Capital Partners Ireland, a growth fund supported by the Ireland Strategic Investment Fund, AIB and a number of international institutional investors. The fund is dedicated to backing small and medium sized businesses on the island of Ireland. The MML investment is led by members of its Ireland team, including Rory Quirke, Chris Walsh and Stephen Minogue.

“We’re delighted to receive this backing from MML”, commented Stephanie Leonard, MD, CG Power Ireland. “First and foremost, it provides the business with stability, following a period of uncertainty with difficulties in the Avantha / CG Group. It gives the business a strong institutional backer, providing security to our dedicated team and confidence to our valued employees, customers and supplier base. We intend to use this backing to invest further in our Cavan facility and broaden our international product and market expansion.”

“CG Ireland has developed a strong reputation in a broad and important international market”, commented Rory Quirke, Co-Head of Investments, MML Growth Capital Partners Ireland. “It has expanded in recent years under the Irish management team, despite significant difficulties in its parent group. We are delighted to have partnered with CG Ireland’s management team and are keen to invest further to allow this business achieve its exciting potential.”

The investment is subject to approval from the Competition and Consumer Protection Commission (CCPC).

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For reference:
Paul Clifford,
Drury Porter Novelli
Paul.clifford@DruryPN.ie
+353 87 327 2161

Notes to Editors:

About MML Growth Capital Partners:
MML Growth Capital Partners Ireland is growth fund dedicated to backing ambitious managers of small and medium-sized private businesses with a significant presence on the Island of Ireland to reach the next stage of their evolution, maximising growth opportunities at home and abroad. It provides capital to
businesses for expansions, acquisitions, shareholder reorganisations, recapitalisations and management buyouts.

About CG Ireland:
CG Power Systems Ireland Limited (formerly Pauwels) has a large and diverse range of Distribution Transformer products and services.

First established in Cavan, Ireland in 1977 CG Power Systems Ireland Limited has grown through major expansions, an entrepreneurial spirit and a strong customer focus to become a market leader in manufacturing bespoke, quality solutions at its 17,500sqm facility.

It has the capability of manufacturing 6,500MVA annually which equates to just over 16,000 transformers.

It is a global supplier to international specifications and is strategically located within its main markets of Ireland, the United Kingdom and Western Europe.

CG Power Systems Ireland Limited prides itself on maintaining a high level of performance by following its QDCCC (Quality, Delivery, Commitment, Cost, and Communication) model. Directed by this model the company has established strong relationships with its customer base.

The company has also earned a unique reputation as a proven quality supplier with an infrastructure that is flexible enough to manage customer demands and market challenges.

CG Power Systems Ireland Limited offers a highly controlled supply chain network made up of its own on site design engineering team, logistics teams, metal fabrication facilities and customer specific project management teams. This infrastructure ensures a streamlined and stress free procurement and delivery process for our customer.

www.cgglobal.ie