

## CASE STUDY

BLACKSTAR  
AMPLIFICATION

## The Future Rocks for Blackstar Amplification as Shawbrook Bank Backs Management Buy Out

Shawbrook Bank has funded the Management Buy Out (MBO) of Blackstar Amplification, the Northampton-based Musical Instrument Amplification company.

Designing and developing the amps of choice for leading rock, punk and pop musicians across the world, from Huey Morgan of the Fun Lovin' Criminals to James Dean Bradfield of the Manic Street Preachers, Blackstar is not a traditional company - and this was far from a conventional deal.

Shawbrook Bank structured a unique solution for Blackstar based on a mix of asset based lending and senior debt to maximise the quantum of funding available. Rather than taking a historic view of the business, Shawbrook Bank based the cash flow loan element on its future enterprise value, backing its growth potential.

As a result, Shawbrook delivered a deal at a significantly higher value of Blackstar's previous facility, generating the necessary funding for the share purchase consideration as well as ongoing working capital to provide the business with stability as it scales.

Blackstar is a leading global brand with revenues of £9.6M. All research, financial, sales and marketing functions are based in Northampton UK with manufacturing in the Far East. The deal, which sees the exit of Foresight VCT, means that Blackstar will remain an independent company with the founding management team owning a majority share in the business.

*"This marks an exciting new chapter in Blackstar's history. It was important to us to retain ownership of our business for several reasons. The first is that people like what we have done and are keen for us to do more of it. We give players the ultimate tool for self-expression and that really inspires us to continually drive our business from 'good to great'. The second is that when you are on a long-term journey to drive growth and value in your business, you don't want to be looking constantly at an exit plan."*

*"Shawbrook Bank is interested in what we do and their team has got right behind our vision and growth story. Their commercial approach, along with their long-term view to working with us as our finance partners, will enable us to take our business to the next level with real certainty."*

**Ian Robinson**  
Co-founder and Managing Director, Blackstar Amplification

*"I've spent a lot of time with Ian, Paul and the team at Blackstar and we are excited about the direction and potential of the business. Having returned ownership to the founders, we're looking forward to supporting Blackstar all the way up to 11."*

**Mark Parsons**  
Relationship Director, Shawbrook Bank

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