



Graphite Capital acquire Digital Space



Announcement

Digital Space (the "Company"), a leading Secure, Connected Cloud MSP, today announced that it is to be acquired by Graphite Capital ("Graphite") from Horizon Capital ("Horizon"), which has owned the Company since February 2017. The transaction, the terms of which were not disclosed, is subject to regulatory approval.

Digital Space provides connectivity, security and hybrid cloud managed services to the UK mid-enterprise and public sector markets. It delivers its comprehensive services from its own datacentres, national core network and Network Operations Centre, along with its public cloud-based services and solutions.

Graphite, a leading UK mid-market private equity firm, was attracted by Digital Space's well-invested and modern services platform, its strong customer base, and the experience of the leadership team. Digital Space is well positioned to meet the growing demand for digital transformation solutions and ICT managed services, as companies leverage modern technologies to drive operational efficiency and customer experience.

Following completion of the acquisition, Neil Muller and his management team will continue to lead the business, with a strong focus on organic growth (through ever-increasing demand for high-speed, low-latency network connectivity; hybrid cloud transformation; workforce modernisation; improved end-user experiences; and security services), augmented by strategic acquisitions, to meet customers' ongoing digital transformation and managed service requirements.

Quotes and Comments



We are delighted to be partnering with Graphite, who share our vision and ambition. In today's challenging economic times, we will continue to help our customers to reduce their costs and improve their productivity through digital transformation and robust (yet agile) secure, connected cloud managed services - with targeted acquisitions expected to support our quest.

We thank Horizon Capital for their tremendous support over the last five years and look forward to working in partnership with Graphite.



Neil Muller
Chief Executive Officer at Digital Space



It's been an absolute pleasure working alongside Neil and the wider Digital Space team through its transformation into a leading digital services player. We wish everyone well on the next leg of their journey.

Jeremy Hand
Chairman at Horizon Capital



With strong demand for digital transformation and modern ICT services, Digital Space is very well positioned to capitalise on its strategy and integrated managed service capabilities. We are delighted to support Neil and his management team during the next phase of the Company's exciting journey.

Humphrey Baker
Senior Partner at Graphite Capital



Digital Space was advised by Oakley Advisory (corporate finance adviser) and Pinsent Masons LLP (legal counsel).

Graphite Capital was advised by Alantra (corporate finance adviser) and Travers Smith (legal counsel).

About Digital Space

Digital Space delivers progressive digital solutions that enable organisations to transform at pace. Focused on enabling change for our customers, it provides secure, connected cloud managed services to the UK mid-enterprise..

Headquartered in Newark-on-Trent, Nottinghamshire, Digital Space employs 340 team members. Its Newark site comprises its Network Operations Centre and a datacentre, with an operational centre in Telford (which includes a further datacentre and business continuity centre), as well as an office in London.

Digital Space was originally founded (as Timico) in 2004, with CEO Neil Muller appointed in November 2018. Following a series of strategic acquisitions, the company rebranded as Digital Space in 2021.

About Graphite Capital

Graphite is a specialist provider of private equity finance to mid-market companies based in the UK. Graphite focuses on management buy-outs and also invests in development capital opportunities. It backs companies with enterprise values of £30 million to £175 million.

Graphite is currently investing its £500 million-plus fund, Graphite Capital Partners IX. Investments include: Opus Talent Solutions, a global talent solutions business specialising in the technology and renewable energy markets; Wonderbly, the leading publishing platform for premium personalised books; Higher Ed International, a global online programme manager for higher education; Babble, the unified communications, cloud contact centre and cyber services provider; and Ten10, a leading UK software quality assurance and testing provider. The fund has also invested in NRS Healthcare, a provider of community products and services that help the elderly and disabled live independently in their own homes; Horizon Care and Education, a provider of high-quality care and education for young people with social, mental and emotional needs; and Hanson Wade, a global leader in data and information services to R&D life sciences.

The most recent realised investments include YSC, the leadership strategy consulting services provider; Random42, the world's leading independent producer of scientific animation and digital media services; U-POL, the manufacturer and distributor of automotive repair and refinishing products; and City & County Healthcare Group, the UK's largest domiciliary care provider.

