



AUSTRALIAN  
BUSINESS  
GROWTH  
FUND

# Press Release

## **Australian Business Growth Fund's total investments exceed \$100m after a \$15 million investment into Derwent Industries**

**19 FEBRUARY 2023:** The Australian Business Growth Fund (ABGF) total investments pass \$100m after its first investment announcement for 2023: \$15 million into Derwent Industries Group, an Australian-based, advanced metal manufacturer servicing critical infrastructure projects and key industries including water, mining, rail and defence. With this investment, ABGF's total investments to across the portfolio now exceed \$100m.

ABGF has a unique profit-for-purpose investment model providing growth capital to Australian small-medium enterprises (SMEs). The Fund was formed with an initial capital of \$540 million as a public-private partnership between the Federal Government and six leading banks in Australia to stimulate growth in the SME sector.

Derwent Industries Group is set to be a key player in a core market which is underpinned by civil infrastructure projects and maintenance of existing networks that need onshore manufacturing capability to deliver major projects effectively.

The business focuses on technological innovation, building proprietary processes and a skillset of advanced manufacturing, which creates more jobs for Australians and advances local world-class manufacturing capabilities.

The current landscape of the pandemic, geo-political issues, increased freight times and other global market circumstances has increased the demand for quality local manufacturers to provide a secure supply chain that will ensure greater stability, timeliness and reliability for the Australian industry.

The investment will support:

- Investing in market-leading robotics, automated equipment and increased sustainability measures. The company's Wodonga site, which is currently a highly automated facility, is set to become a state-of-the-art facility for stainless steel clamps and couplings.
- Further opportunities for regional jobs across Derwent Industries within the Hobart, Wodonga and Bendigo manufacturing facilities - an estimated 18 per cent increase in jobs across these sites over the next three years.

Anthony Healy, Chief Executive Officer of ABGF, said: "We are now in our second year, and this is our eighth investment announcement. We're excited to support Derwent Industries Group. ABGF's investment will increase Derwent Industries' manufacturing capacity and product range through further investment in people, equipment and automation."

Craig Evans, Chief Executive Officer of Derwent Industries, said: “Local contractors minimise risk and time delays in major infrastructure projects by working with us. We are delighted that ABGF is supporting us so we can also compete on a global level and ensure the sustainability of local manufacturing capabilities.”

ABGF Co-Head of Investments, Patrick Verlaine said: “ABGF plays a vital role in filling the funding gap between late-stage venture capital and buyout funds. Our role is to support investee businesses by connecting them to capital, expertise, and broader local and international networks”.

“We wanted to partner with Derwent Industries Group because of its commitment and passion to developing and evolving the manufacturing industry in Australia.”

With manufacturing operations in Hobart, Wodonga and Bendigo, Derwent Industries is one of the country's few fitting and casting manufacturers of scale that supplies local industries and businesses that work on critical infrastructure projects. Derwent also exports its products to New Zealand and the Pacific islands.

Derwent Industries is an Australian family-owned company formed in 1963 in Wangaratta Victoria and incorporates Derwent Foundry®, Derwent Pipelines®, Derwent Clamps® and Derwent Couplings®. The business is headquartered in Melbourne and has manufacturing facilities in Tasmania (Hobart), Victoria (Bendigo and Wodonga), and New Zealand (Auckland), with distribution centres in Hobart, Melbourne, Sydney and Auckland and plans to open additional facilities in Brisbane and Perth.

NAB Group Executive for Business and Private Banking, Andrew Irvine, said NAB - through the ABGF - was proud to get behind another ambitious Australian business eager to invest in innovation, grow its capabilities and better service its customers.

“As Australia’s largest business bank, NAB is firmly committed to supporting small and medium sized businesses develop and expand,” Mr Irvine said. “The Australian Business Growth Fund is an excellent model through which businesses - such as Derwent Industries Group - can access additional capital investment to assist with their long-term expansion and success. “As local manufacturing continues to increase its capabilities and efficiencies post pandemic, there is no doubt Derwent Industries will be a key player in the industry’s transformation. We’re excited to be working alongside the team as they strive to take their business to the next level.”

ABGF is building an investment pipeline of SMEs with \$2 to \$100 million in revenue, a proven business model and considerable growth potential.

ABGF will be a minority investor in Derwent Industries, and the business will continue to be majority owned and managed by the Evans family.

ABGF was founded on a model established over ten years ago in the UK to drive economic recovery and long-term growth as the economy emerged from the Global Financial Crisis. Since then, the [Business Growth Fund \(BGF\)](#) in the UK has invested over GBP3 billion in more than 450 companies, making them the most active private equity investor, by number of transactions, in the UK.

For small-medium enterprise businesses with over \$2 million in revenue and a proven business model, visit [here](#) for more information.

For more information on ABGF visit <https://www.abgf.com.au/>

## Additional information

### About ABGF

ABGF was founded with an initial capital of \$540 million as a public-private partnership between the Federal Government and six leading banks. The Fund operates commercially and makes investment decisions independently of its shareholders.

ABGF was set up to act as a catalyst for growth in the Australian SME sector by connecting founders and entrepreneurs to the capital, expertise, and wider networks they need to succeed.

The Fund bridges the gap between late-stage venture capital and private equity. It provides minority-only, patient growth capital that allows owners and founders to retain control of what they've built while leveraging the Fund's capital and expertise in achieving their growth aspirations.

ABGF provides a proven investment model that has generated hundreds of successful growth outcomes for businesses in the UK and Canada.

### About Derwent Industries Group

Derwent Industries is an ISO9001 Australian Manufacturer with manufacturing facilities in Bendigo, Hobart and Wodonga, with additional distribution facilities located in Melbourne, Sydney and Auckland. Derwent's business provides products for Water, Waste Water, Irrigation, Mining, Quarries, Rail and Defence to name a few.

Until recently Derwent Industries was 100% owned by the Evans Family, with Doug and Dianne commencing business together in 1963. In December of 2022, ABGF joined the Derwent family investing in the businesses growth to become a leader in the market segments it manufactures for. The foundry in Hobart (Derwent Foundry) was originally founded in 1840 and continues to operate in Hobart, in a different location to this day, showing commitment to Australian Made products.

Derwent prides itself on providing its customers with products, service and solutions to meet their expectations, whilst maintaining wherever possible Australian and New Zealand Made in its product offering. The company is committed to a strong business relationship, for the Australian/New Zealand and export markets, providing its customers with leading edge product, underpinned by our commitment to consistency, efficiency and innovation.

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