AUSTRALIAN
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ABGF BACKS AUSSIE DEFENCE SUPPLIER, DOUBLES INVESTMENT FIREPOWER

Monday 10 August – The Australian Business Growth Fund (ABGF) has inked its second defence-linked deal, announcing a multimillion-dollar investment in a local defence and commercial maritime and industrial services business as well as changes enabling the fund to make bigger investments into other home-grown success stories.

The fresh capital from ABGF will pave the way for Griffin Industrial Group (Griffin) to scale up its national sustainment operations and shipbuilding capabilities to support AUKUS and the nation's growing naval fleet.

The deal comes as ABGF doubles its maximum initial cheque size from $15 million to $30 million, which it says unlocks greater firepower to back more home-grown businesses delivering the skills and capabilities Australia needs.

"Griffin is exactly the kind of business ABGF exists to back: Australian-grown, nationally significant and building the skills and sovereign capability our nation needs," ABGF chief executive Anthony Healy said.

"Our expanded investment mandate means bigger backing for ambitious Australian businesses. It gives us more firepower help home-grown companies like Griffin scale, create skilled jobs and deliver for Australia."

Griffin gears up for Australia's naval build-up

Founded by defence industry trade stalwarts, Troy Ranford and Maryn Stroud some 12 years ago, they grew the business from a single operation into a national one. Griffin now employs over 200 skilled workers to build and maintain ships and marine infrastructure adding further trade and engineering capabilities.

It is highly specialised, hands-on work – from precision welding and fabrication to mechanical fitting and pipework – delivered to exacting standards supporting their clients and Australia's defence servicepeople.

As Australia enters a sustained period of naval investment underpinned by AUKUS, demand for these skills is set to rapidly grow, with spend on maintaining the Navy's expanding fleet alone forecast to grow at c.10 per cent each year over the next decade.

Griffin chief executive Chris Stoll says its partnership with ABGF had come at the perfect time to help the business seize the opportunity.

"Over the last few years, we've worked hard to build a business with a strong national footprint, including in regional Australia, diverse technical capabilities, and a reputation for delivering for our customers. This investment gives us the capacity to continue investing in our people, broaden our capabilities, and strengthen the support we provide to customers across the country.

"We believe ABGF is a partner that understands our business and culture, shares our long-term view, and will help us accelerate the next stage of growth. Together, we can strengthen our capability across Australia, invest in leadership and systems, and pursue acquisition opportunities that align with our culture and long-term objectives," Mr Stoll said.

With operations across all four major naval homeports – Henderson (WA), Sydney (NSW), Darwin (NT) and Cairns (QLD) – Griffin already works closely with many of the nation's tier-one defence primes including Austal, Thales, Babcock, and NORSTA.

ABGF's investment and strategic support will help Griffin build on this national platform by strengthening its operations, growing its workforce, expanding into shipbuilding, and pursuing acquisitions.

Griffin chair Michael Sertorio says ABGF's backing recognised what Griffin's people had built and strengthened the business for the future.

"We are proud to achieve this milestone of securing a strategic investment by ABGF whose purpose it is to back Australian businesses in critical industries. It is a recognition of the great work and commitment of our people around the country and enhances our ability meet the future needs of our clients across defence, infrastructure and resources," Mr Sertorio said.

It is the fund's second defence sector investment after advanced battery manufacturer 3ME Technology, and Mr Healy said it would not be the last.

"Australia needs strong sovereign businesses to deliver its defence ambitions. ABGF is committed to backing the companies and founders building the skills, technology and capability to make that happen," Mr Healy said.

ABGF doubles its investment firepower

To help deliver on this commitment, ABGF has expanded its investment mandate so it can provide bigger and more flexible backing to high-potential Australian businesses.

The fund has doubled its maximum initial investment from $15 million to $30 million and can now invest up to $50 million in a business including follow-on investments. ABGF can now also take a majority stake where a founder wants to reduce their shareholding, giving business owners more flexibility while retaining the fund's established minority investment model.

Mr Healy said that after turning away too many strong Australian businesses that needed bigger cheques or more flexible ownership options, the additional flexibility would help close a stubborn gap in Australia's capital markets.

"These changes mean bigger backing, more flexibility and better access to capital for growth-ready Australian SMEs. Our purpose and core mandate remains the same: we back Australian business owners to keep building. We can now provide the right investment for more businesses and more stages of their growth," Mr Healy said.

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ABOUT GRIFFIN INDUSTRIAL GROUP

Griffin Industrial Group is a leading provider of maritime sustainment to Australia's defence and commercial vessels, delivering multi-disciplinary industrial marine services and project management to prime contractors, shipbuilders and maintenance companies.

Its capabilities span specialised welding, fabrication, blasting and painting, sheet metal, insulation and blankets, mechanical and fitting, pipework and HVAC — together with end-to-end project management from inception to completion. Griffin also provides precision machining to the resources and industrial sectors through Westurn Engineering as well as HVAC and Refrigeration services through Keisan Refrigeration.

Griffin employs more than 200 people and operates from offices and site facilities co-located with naval bases and shipyards in Western Australia, New South Wales, the Northern Territory and Queensland — an established presence at all four of Australia's Regional Maintenance Centres. Its work is underpinned by industry-leading accreditations, including DNV and Lloyd's Register workshop and welding standards (ISO 9001 and ISO 3834-2) and PCCP painting accreditation, supported by a team of more than 30 coded welders.

ABOUT ABGF

Australia's only purpose-built growth capital fund dedicated to the SME sector, ABGF supports Australian businesses to realise their full potential.

ABGF provides growth capital and follow-on funding to established Australian businesses, bringing capital, capability and connections. It typically takes a minority stake, leaving owners in control, and under its expanded mandate can also take majority positions where founders are looking to reduce their ownership. Backed by the Federal Government and Australia's leading banks, ABGF bridges the gap between venture capital and traditional private equity.