

# Sigmar chief heads buyout from struggling parent firm

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Recruitment firm Sigmar has been acquired by its management for an undisclosed amount in a deal headed by its managing director Adrian McGennis.

Formerly a subsidiary of listed firm Newcourt, which is now in receivership, Sigmar secured financing from 25 of its 50 staff, while some of the original founders of the firm are also believed to have invested in the buyout. Speaking to the Irish Independent, Mr McGennis declined to reveal the purchase price, saying a confidentiality agreement had been struck with the receiver.

## Approach

Mr McGennis stepped down from Newcourt's board in May, just days before the receiver was appointed to the company. Sigmar confirmed at the time that Mr McGennis had made an approach to buy the recruitment business.

Mr McGennis was formerly the managing director of Marlborough Recruitment. He and a number of other Marlborough executives established Sigmar in 2002. It was acquired by Newcourt in 2005.

It is believed Mr McGennis holds about 10pc of Sigmar after the buyout.

As a whole, staff own between 60pc and 65pc, with the external investors holding the remainder.

Sigmar has between €300,000 and €400,000 in debt, which the new owners agreed to take on as part of the takeover deal.

The company will close an office in Prague, the Czech Republic, but intends to retain a presence in both Poland and Bulgaria.

Mr McGennis said Sigmar is profitable following a cost-cutting exercise that involved a number of layoffs. He said that the sector remains difficult, with permanent job recruitment activity probably down between 50pc and 60pc since its peak. He added that the business environment had stabilised somewhat in recent months, however.

Newcourt's recruitment and aviation outsourcing division reported turnover of nearly €37m in 2007 and a trading profit of €4.3m.

In the first half of 2008, revenue at the unit was €18.8m, while the trading profit for the period was over €1.5m. The aviation outsourcing arm does not form part of the management buyout.

- John Mulligan