

CASHING OUT

NoteMachine is one of the largest ATM networks in the UK with over 8,000 machines across the country and is the number one independent ATM business in Europe. NoteMachine's ATMs can be found in many locations including supermarkets, convenience stores and leisure venues dispensing approximately £10 billion of cash every year. In addition, NoteMachine also provides a full 'white label' service for larger high street retailers and blue chip organisations.

Public to Private

NoteMachine was a new company set up by Rutland to take over the troubled AIM-listed ATM operator, Scott Tod. Scott Tod was significantly underperforming against its competitors and reporting trading losses when Rutland acquired it in 2006 and appointed Peter McNamara, who has extensive expertise in the banking sector, as Chairman of NoteMachine.

Follow-on Investment

Part of the strategy for NoteMachine was to acquire further ATM estates. This growth came less than 6 months after the initial acquisition in the form of TRM (ATM) Limited, which NoteMachine acquired in early 2007. The acquisition of TRM created one of the leading independent ATM deployers in the UK and provided a good foothold into the German market, as well as supplying NoteMachine with an excellent platform on which to expand its own cash-in-transit services across the enlarged estate.

However, this expansion did not come without difficulties mainly due to unforeseen regulatory changes in the UK ATM market and new fee charging directives introduced by the German authorities. These charges materially impacted on the profitability of the NoteMachine group.

Getting Back on Track

NoteMachine had to continue to grow its estate to leverage a fixed cost base and exploit its unique integrated model, pursuing a number of consolidation opportunities in the UK and Europe. During this period the opportunity to acquire a sizable ATM estate from a major European financial institution presented itself.

Due to the vendor's confidence in NoteMachine's management ability to transition the estate and properly service existing

customers, the business was acquired at an attractive price. This enabled NoteMachine to continue to grow and strengthen its position as Europe's largest independent ATM deployer.

Time to Cash Out

In 2012 Rutland sold NoteMachine at the point when the business had an estate of 7,000 ATMs in the UK and 500 in Germany, dispensing £5 billion of cash every year. The sale to private equity firm, Corsair Capital, represented a cash return of approximately 1.3x Rutland's investment plus an interest in the performance under Corsair ownership.

CATALYST FOR CHANGE



"We thank Rutland Partners, who have been very supportive in the turnaround and development of NoteMachine. We are very pleased to have Corsair as an investor and their investment in NoteMachine will help us to continue to deliver excellent services to our customers and support the long-term growth of our business."

Peter McNamara, Founder & CEO of NoteMachine