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Construction software group is sold to Sage for £21m

Tekton Group, the UK's fastest growing construction software specialist, has been sold to Sage (UK) Ltd for £21 million.

Inflexion Private Equity, the mid-market private equity investor, held a 40 per cent stake in the group, which it acquired after investing £4.6 million in December 2006. Richard Beaton, Tekton's CEO, held a 40 per cent stake, with the remaining shares held by staff and YFM Private Equity, who had backed Beaton in a previous buy-out.

Clearwater Corporate Finance were Tekton's lead advisers on the deal, with Halliwells and DTE providing specialist legal and tax advice respectively.

Tekton, which employs over 90 people, is based in Manchester with offices in Livingston, Barton-Under-Needwood in Staffordshire, and Farnham in Surrey. Its software solutions – Intuita, EVision, CIT, SiteStream, SPACE and ProjectPro - cover the whole construction lifecycle. Customers include civil engineers, builders and developers, maintenance and other contractors.

Tekton was formed in 2005 by entrepreneur Richard Beaton with the management buy-out of Intuita Limited and the simultaneous acquisition of EVision. It went on to acquire Construction Information Technologies (CIT) in June 2006 and SiteStream Software in December 2006 at the same time as its acquisition by Inflexion.

Richard Beaton, Tekton's CEO, is a serial entrepreneur who has bought and sold over 20 software businesses during his career. Since the acquisition by Inflexion, the management team led by Beaton has invested heavily in the company's infrastructure, consolidated its operations and expanded its sales force. Employee numbers have increased by over 60 per cent as a result of organic and acquisitive growth. The company plans to continue its expansion, aiming for a 70 per cent market share within the UK construction sector.

Richard Beaton said: "I have been delighted to work with Inflexion in positioning Tekton for its next stage of growth. We have had a rewarding and fruitful working relationship over the last 15 months, which has been reflected in the company's success during this period."

Carl Houghton, partner with Clearwater Corporate Finance added: "This is the fourth deal we have advised Tekton on and the sixth time we have worked with Richard Beaton. Under Richard's leadership, Tekton has become the fastest growing construction software specialist and seen its value increase significantly. The company offers an impressive array of products and significant potential for further growth and will be a valuable addition to Sage's portfolio."

Tim Smallbone of Inflexion said: "It has been a pleasure to work with Richard Beaton again together with his excellent management team, and to be a part of this exciting stage in Tekton's development, as well as allowing us to realise a good return on our original investment in a short space of time."

Nigel Barraclough of YFM said: "We are delighted to have been involved with Tekton over the last two and a half years after funding the initial MBO in December 2005. Following the

refinancing of the business last December, due to further expansion of the Group, we were pleased to roll over our investment and this take-over represents an excellent return for us. We look forward to working with Richard again in any future ventures he brings to us.”.