

CASE STUDY

CalLEN-LENZ ASSOCIATES LIMITED

Company Background

Based near Salisbury, Wiltshire, Callen-Lenz is a provider of software and components for Unmanned Aerial Vehicles (UAVs). It develops, designs and manufactures air vehicles, vehicle components and navigation and communication software for high performance UAVs globally.

The company was founded in 2007 by chief executive officer Jonathan Webber, a former RAF pilot and commercial test pilot, and finance director Andy Callen, who trained at KPMG before roles at Babcock and McLaren. The company initially focused on technical consultancy for aviation research and development. Callen-Lenz has developed novel hardware and software products that are sold globally, along with wider design and operational services.

Callen-Lenz has worked with the UK Civil Aviation Authority, owing to its specialist expertise and experienced team, despite being a SME.

Callen-Lenz is also a member of the International Civil Aviation Authority Organization, which produces standards, guidelines and policies for international unmanned systems control technology and certification.

Investment

Callen-Lenz presented the opportunity to invest in a fast-growing provider of innovative technology solutions to the UAV market, with long-term contractual revenues, an impressive pipeline and the potential for licensing software.

The energy and infrastructure sectors are influencing the corporate demand for UAVs for use in monitoring assets remotely.

Regulation and the requirement for certification acts as a brake on market growth but also extends the useful life of technologies.

In August 2021, the Foresight VCTs invested £4.73 million of growth capital into Callen-Lenz. The funding was provided to support the company to scale the business by developing and expanding their workforce and increasing investment in manufacturing facilities.

Trading and Strategy

Callen-Lenz has performed well since investment, with revenue in line with the investment plan, margins tracking behind plan but the order book growing faster than forecast. Within three months of investment the company secured its largest contract to date.

CalLEN-LENZ ASSOCIATES LIMITED

SECTOR: TECHNOLOGY / MANUFACTURING

Investment type	GROWTH CAPITAL
Initial investment date	AUGUST 2021
Aggregate investment by all Foresight VCTs	£4.73M
Aggregate amount returned to all Foresight VCTs	N/A
Aggregate remaining accounting cost of the remaining investment by all Foresight VCTs	£4.73M
Aggregate valuation of remaining investment by all Foresight VCTs	£4.73M



Callen-Lenz



The board has invested significant time on reviewing the sales forecasting processes to ensure that the required resource for delivery is in place ahead of time.

The key operational development was Callen-Lenz passing the Quality Management Systems ISO 9001:2015 audit. Engineer utilisation is currently high, and the planned recruitment has fallen behind schedule, this being a reflection of the competitive labour market.

Two key hires were identified during the due diligence process, a non-executive director and a chief operating officer who can join the team. The search for both positions is ongoing.

