

# THIS TIME NEXT YEAR...

CLIENT CASE STUDIES DETAILING THE PROCESS  
OF SELLING A COMPANY



# FOREWORD

Throughout KBS Corporate's 20 years of trading history, we have advised upon hundreds of successful company sale transactions. During this time, we have been able to gain a true insight into the mind of the typical company owner looking to sell, and understand the various reasons for embarking upon the process.

Of course, no two companies, or their owners, are ever the same, and as a result, reasons for pursuing a sale will always differ. One thing is for certain; every company sale process begins with a motivation to sell, and it is our role to understand this motivation and turn it into a reality.

Our experience as an advisor has allowed us to notice that many reasons for sale are centred around personal situations and timescale factors. You might be looking to retire and cash in on a lifetime of work, or simply focus on other interests. Likewise, you might wish to pursue a sale in order to transition the business under the direction of a new owner and to accelerate growth. Whatever your end goal, I am confident that we can guide you towards a solution that fulfils your objectives and exceeds your expectations.

Within the following pages, you will find a collection of case studies focused on some of KBS Corporate's most notable transactions from the past few years. We delve into each transaction from the client's perspective, looking at the shareholders' reasons for sale, thoughts on the final outcome, and our specifically tailored approach.

If you are considering the possibility of selling your business, now or in the future, I hope that the experiences of some of our past clients answer some of your questions, and inspire you to discover what you can achieve by this time next year.



**Simon Daniels**

Director

# CONTENTS

<b>GROWTH THROUGH A SALE</b>	ROUTEMONKEY	<b>4</b>
<b>MOVING ON TO NEW PROJECTS</b>	STAFFORDSHIRE FUELS	<b>6</b>
<b>CASH IN AND EXIT THE BUSINESS</b>	CORBETTS THE GALVANIZERS	<b>8</b>
<b>ACCELERATE GROWTH</b>	KMB RECRUITMENT	<b>10</b>
<b>PLANS TO RETIRE</b>	NORTHERN BALANCE	<b>11</b>
<b>DE-RISK WITH CASH OFF THE TABLE</b>	GIACOM WORLD NETWORKS	<b>12</b>
<b>PURSUING RETIREMENT</b>	HCD GROUP	<b>14</b>
<b>MANAGING CONFLICTING INTERESTS</b>	UK DRY RISERS	<b>16</b>
<b>HAD ENOUGH AFTER 35 YEARS</b>	DW PLASTICS	<b>18</b>
<b>LOOKING FOR A CHANGE IN LIFESTYLE</b>	GLYNWOOD INSURANCE	<b>19</b>
<b>REALISING A LIFETIME OF INVESTMENT</b>	NATURES AID	<b>20</b>
<b>DRIVING THE BUSINESS FORWARD</b>	SUN ORGANISATION	<b>22</b>
<b>TAKEN THE BUSINESS AS FAR AS POSSIBLE</b>	VERTICAL TRANSPORTATION	<b>22</b>
<b>DIFFERENT SHAREHOLDER MOTIVATIONS</b>	BOOMERANG FUNDING	<b>24</b>
<b>RETIREMENT SALE</b>	FAIRWAY INTERNATIONAL TRAVEL	<b>26</b>
<b>FINANCIAL GAIN</b>	PRO-CHECK ENVIRONMENTAL	<b>28</b>
<b>EQUITY RELEASE</b>	SKN ELECTRONICS	<b>29</b>
<b>SAFEGUARD FUTURE GROWTH</b>	VERTIK-AL	<b>30</b>
<b>SECURING LONG TERM FUTURE</b>	PEMXQ	<b>32</b>
<b>OTHER BUSINESS INTERESTS</b>	FRANK SHAW (BAYONET)	<b>33</b>
<b>RETIREMENT PLANNING</b>	POWELL & HARBER	<b>34</b>

# GROWTH THROUGH A SALE

ROUTEMOTION KEY



## GROWTH THROUGH A LARGER PARENT

The shareholders of Route Monkey Limited sought to bring change to the company through a sale. They felt that Route Monkey would benefit significantly from being under the ownership of a larger parent company, and that advantageous synergies could arise from such a partnership. The shareholders approached KBS Corporate in order to achieve this objective.

## MARKET LEADERS IN SCHEDULING TECHNOLOGY

Route Monkey was founded in 2009 by three individuals who identified a gap in the market for scheduling technology. Over the years, Route Monkey grew rapidly and, at the point of sale, the company employed thirty members of staff with strong skills in mathematics and optimisation algorithms, as well as expertise in the fleet, energy and ultra-low emission vehicles (ULEV) sectors.

An award-winning management team with a proven track record helped Route Monkey to achieve international recognition through a number of exceptional technical innovations. As a result, the company secured its status as a market leader in the optimisation of electric vehicles (EVs), energy and Intelligent Mobility.

KBS Corporate established, at an early stage of the process, that a financial model was paramount in ensuring that the business was valued on the basis of its future potential as well as its past performance.

Once the objectives of the shareholders had been established, KBS Corporate looked to find buyer markets and sectors that would offer synergistic potential alongside Route Monkey and the opportunity to further develop the Route Monkey brand.

Due to the strong growth potential that Route Monkey displayed, it was essential for KBS Corporate to consult our international database in order to reach out to the widest possible audience of potential buyers. We approached over fifty suitable potential acquirers, who spanned Europe, the USA and the Far East.

KBS Corporate secured four offers in total for the business. Trakm8, an AIM listed telematics and data provider, had previously purchased another company, DCS Systems Ltd, through KBS Corporate, and it was this established relationship that made way for the desired outcome. Trakm8's £9.1m acquisition of Route Monkey fell in line with its strategy of facilitating organic growth through selective acquisitions, in order to expand its telematics offering to both insurance and fleet customers.

Post-acquisition, Trakm8 has continued to develop the Route Monkey brand and has undertaken an integration plan for both the product and engineering "to combine the best of both companies".

**4 OFFERS  
6x MULTIPLE  
£9.1M SALE**

## **A LOCAL FAMILY RUN DISTRIBUTOR**

Staffordshire Fuels was established in 1996, supplying fuels, lubricants, additives and storage tanks to the industrial, agricultural, transport and domestic markets, covering the West Midlands and North Staffordshire areas. The company is an approved supplier of Phillips 66 Fuel, branded as JET in the UK.

Organic growth has charged the company's success over the years, resulting in rapidly increasing turnover and client database of over 5,000 accounts. The company's growth can be attributable to an exceptionally skilled and professional management team, capable of running Staffordshire Fuels without input from a Director.

In 2007, a new Managing Director was appointed, and the strategy of the company was altered, whereby Staffordshire Fuels began supplying smaller accounts rather than just a handful of major clients. In consequence, risk within the business has been severely reduced in recent years, as Staffordshire Fuels is no longer dependent on major accounts.

## **A SALE TO MOVE ON TO NEW PROJECTS**

The shareholders of Staffordshire Fuels Limited made the combined decision to embark upon a company sale, as they felt that the company would benefit from being placed within a larger group and each wanted to move onto different projects. Staffordshire Fuels enlisted the help of KBS Corporate to advise them upon the sale.

It was established that KBS Corporate needed to reach out to buyers both within the UK and overseas, in order to truly maximise the sale value of Staffordshire Fuels and showcase its outstanding growth potential. To do this, we utilised our overseas database of contacts, and sourced 66 potential buyers.

Fifteen parties showed interest in acquiring Staffordshire Fuels, including multiple PLCs, trade buyers, MBI candidates and one overseas buyer. Five offers were secured by KBS Corporate before the shareholders of Staffordshire Fuels made a decision regarding their partner of choice.

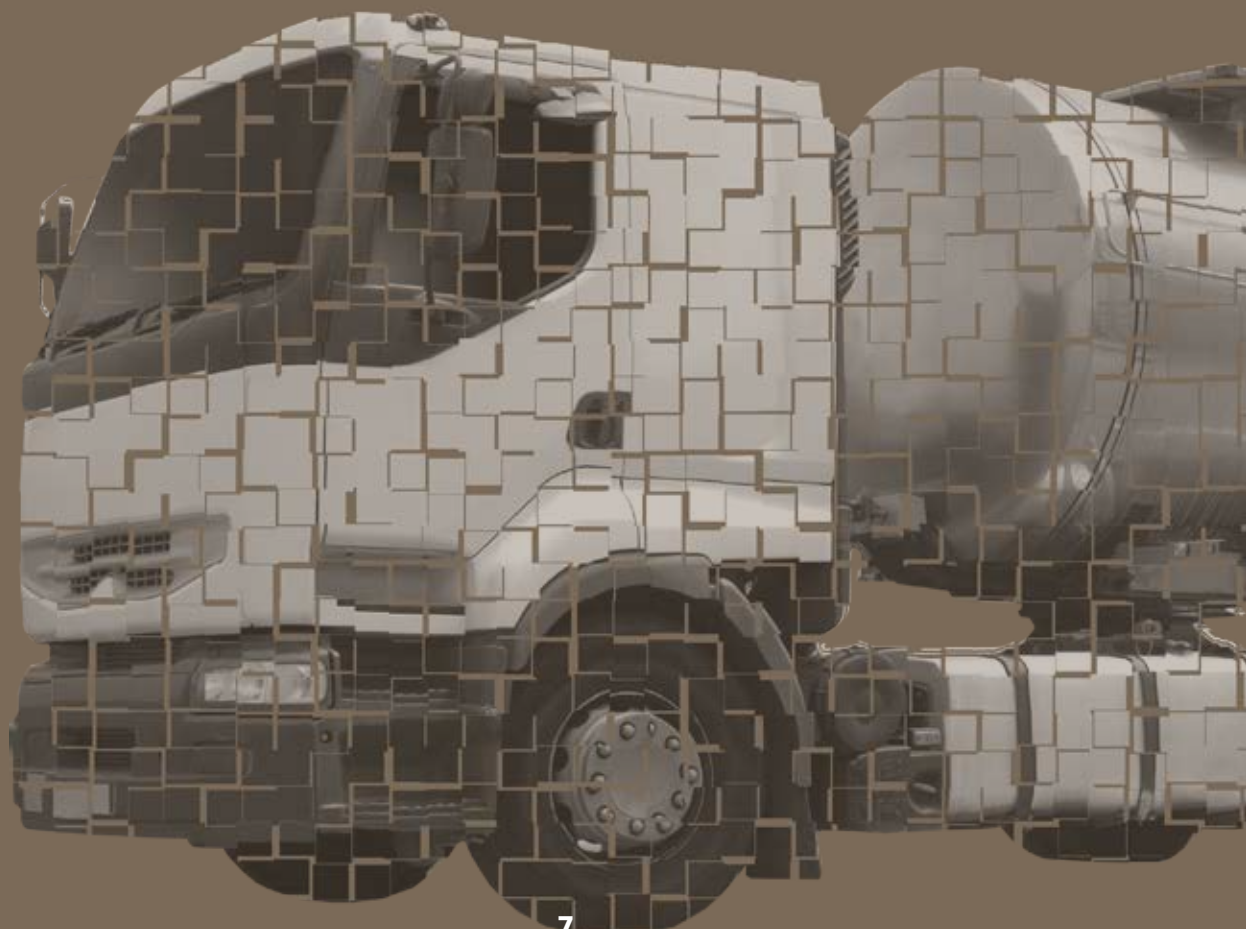
## **ATTRACTING OVER A DOZEN INTERESTED PARTIES**

Andrew Melbourne, Finance Director at KBS Corporate, acted on behalf of our client, and commented: "It was important that we retained an excellent relationship with both our client and the representatives of the buyer throughout the process".

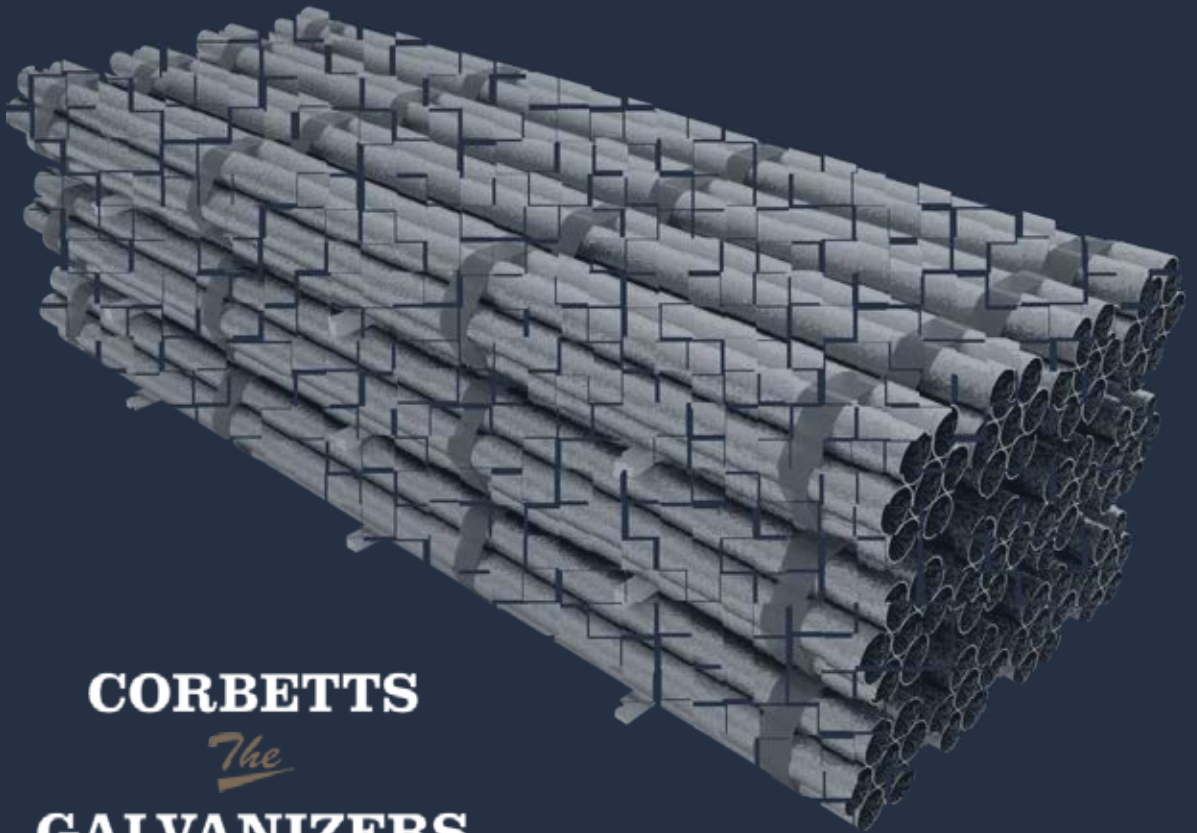
The eventual acquirer was NWF Group plc, and as the UK's third largest distributor of fuels, the company was a perfect strategic fit for our client, Staffordshire Fuels.

Richard Whiting, Chief Executive of NWF Group, said: "We are pleased to announce the acquisition of Staffordshire Fuels, a high quality business with a strong brand. The acquisition is in line with our growth strategy, increases our penetration in Staffordshire and the West Midlands and will be earnings enhancing in the first full year."

# MOVING ON TO NEW PROJECTS



# CASH IN AND EXIT THE BUSINESS



**CORBETTS**  
*The*  
**GALVANIZERS**



# AN INDUSTRY LEADER FOR OVER 200 YEARS

Located in Telford, Shropshire, Corbetts The Galvanizers has been at the forefront of the UK galvanizing industry for over 200 years, and is renowned for the quality of its work and exceptional levels of customer service.

The company's main service offering involves providing hot dip galvanizing to a range of international engineering, manufacturing and industrial clients based throughout the UK. Hot dip galvanizing involves the coating of steel with a layer of zinc, by immersing the

metal in a bath of molten zinc at temperatures of around 450°C.

When exposed to the atmosphere, the pure zinc reacts with the oxygen to form zinc oxide, a strong, protective material that acts as a cost-effective alternative to stainless steel.

## UNABLE TO FIND A BUYER WITH PREVIOUS ADVISORS

The shareholders of Corbetts approached KBS Corporate to assist with the sale of their business following an unsuccessful attempt to sell the business with another advisor. After being on the market for a long period of time with one of our main competitors, the owners of Corbetts were apprehensive about enlisting the services of another company sales advisor as they were led to believe that the buyer marketplace had been exhausted.

With the galvanizing market experiencing great success in recent years, alongside a positive forecast for the future, we determined the importance of identifying synergistic and complementary markets in order to source buyers who would be motivated to pay the best possible price for Corbetts.

A robust research strategy was conducted, in which a number of UK and international trade buyers, private equity and venture capital investors were presented with the opportunity to acquire

Corbetts. Ten parties signed Non-Disclosure Agreements, and from these, six buyer meetings were arranged.

KBS Corporate approached the eventual acquirer of Corbetts, however, in a different manner entirely. Canadian-headquartered private equity firm, Ardenton Capital, recently opened an office in Manchester, as it set to invest in the UK mid-market. Representatives of KBS Corporate attended the launch event, introduced themselves to Ardenton and later presented Ardenton with the opportunity to acquire our client.

KBS Corporate's proactive approach in finding an acquirer from outside of the immediate M&A market ultimately led to a successful deal, in which the sole shareholders of Corbetts were able to exit the company swiftly in order to retire, in a multi-million pound transaction.

Ardenton differs from most private equity firms by investing with a long-term focus, usually for a period of around 20 years. The acquisition represents Ardenton's first UK transaction.

Dave Gardner, of KBS Corporate, advised on the deal and commented: "The success of this acquisition can be attributable to the strong, professional relationships we held with both Corbetts and Ardenton, and through developing a deep understanding of Ardenton's new acquisition strategy here in the UK. I know that Corbetts will continue to flourish under the direction of Ardenton, and I wish them all the best for the future."



# ACCELERATE

**KMB** **GROWTH**

**The objective was to source a buyer for a company with slow financial growth, whilst fulfilling differing exit objectives for the two shareholders. One wished to exit the business whilst the second was intent on remaining within the business full-time.**

KMB Recruitment is a specialist recruitment consultant, supplying labour personnel to a variety of companies including those in onshore and offshore oil, gas and wind farm projects. Established in 2005, the Middlesbrough based company prides itself on being able to recruit and attract high quality and experienced candidates for a wide range of trades and sectors.

With over 11 years of experience, KMB Recruitment secured numerous high profile contracts, such as Siemens, and managed to acquire many global networks. Through supplying services of a high standard and the delivery of excellent value for money and exceptional customer service, the company expanded over the years, benefiting from repeat custom and referrals, bringing in new customers.

KBS Corporate targeted key players in the UK recruitment market, and looked towards the EU for companies that were looking to enter the UK offshore/oil and gas markets. Early in the process, the business attracted the interest of a number of private equity organisations that specialised in the recruitment sector.

No fewer than five buyer meetings were arranged, in which KBS Corporate highlighted the future value in existing and imminent client contracts, as well as the experience and dedication of the staff for a company with excellent growth prospects but a lacking of the financial performance to demonstrate value. KBS Corporate secured a deal that provided a positive outcome and deal value for the owner of KMB and excellent prospects for the existing employees.

The buyer was RTS Wind, a subsidiary of large German recruitment company, RunTime Group, which had been looking to break into the UK offshore market for some time. KMB Recruitment remained in its North East premises, with all staff members retained, including exiting shareholder, Kevin McBride.

The deal was managed by Corporate Director, Guy Haynes. He believes that both companies provide an excellent fit for each other due to their many shared values.

**The two shareholders of Northern Balance Limited approached KBS Corporate to fulfil their desires of exiting the company, in order to plan for retirement and experience a change of industry.**

Northern Balance Limited is a Gateshead-based weighing product specialist. Established in 1971, the company supplies a number of weighing equipment products to their clients, including balances, scales, consumables and peripherals. The company also offers calibration, servicing and repair services to customers on a contract basis. In addition, Northern Balance is UKAS accredited and Safecontractor approved.

The company works with close to 500 clients in the North of the UK within the pharmaceutical, chemical, food and education sectors. Over 95% of their customers provide repeat business, and more than 80% of revenue generated by the company derives from contracted calibration and servicing.

KBS Corporate targeted a number of buyer types and introduced the opportunity to acquire Northern Balance to them. The range of buyers included multiple UK trade buyers, private equity investors and overseas parties. The outcome of the buyer reach process was that almost twenty buyers showed interest, and went on to sign a Non-Disclosure Agreement to allow them to view Northern Balance's Information Memorandum.

Five buyer meetings took place which resulted in three offers from trade buyers. A three-party bidding process commenced, which resulted in a very competitive price for the shares of Northern Balance. KBS Corporate was also able to negotiate the preferred deal structure of cash on completion.

The eventual acquirer, Gem Scientific Limited, is a Leeds-based scientific product supplier that acquired Northern Balance for a final value of £1.7m, backed by a private equity firm. Justin Welton, Managing Director of Gem Scientific, stated: "The acquisition furthers our growth strategy in the UK, and marks another significant step forward for Gem Scientific. This is a great opportunity for our two companies to utilise their respective expertise. It will also improve our product offering, enhance our local and national presence and allow us to continue to provide excellent customer service across the group".

# PLANS TO RETIRE





**GIACOM™**

**DE-RISK WITH  
CASH OFF  
THE TABLE**

# A STRATEGIC PARTNER TO DELIVER MAXIMUM VALUE

The sole owner and founder of Giacom World Networks Limited approached KBS Corporate looking to secure a significant portion of his investment in the company and acquire a financial partner with the resources to take the company to the next level, or a strategic trade partner who could deliver maximum value.

# A LEADING PROVIDER OF CLOUD TECHNOLOGY SOLUTIONS

Giacom World Networks is a Hull-based market leading provider of cloud technology solutions. Established in 1999, the company leverages a bespoke and technologically advanced online platform and upholds close partnerships with Microsoft and other leading cloud solution providers. Giacom is also the largest reseller network of IT professionals in Europe (“the Reseller Network”), and exerts a disruptive and dominant influence into the cloud services market.

Giacom is led by its founder and owner, and is supported by an experienced and dynamic management team. The company has developed into a diversified cloud solutions provider with a strong business model, a commitment to innovation and an ethos that demands service excellence.

Giacom posed an interesting challenge to KBS Corporate. The shareholder required either a high valuation offer and/or a trusted and financially well-resourced partner that would take either a significant share or a complete share of the business. Our experienced Directors worked closely with the shareholder in order to identify sectors that would potentially provide buyers with all of the necessary requirements.

KBS Corporate proceeded to actively market Giacom to UK-based cloud, telecom and private equity firms, viewing these sectors as possessing the most valuable potential acquirers for the company.

A tailored approach was applied to each separate sector, seeking to highlight different selling points to the varying range of potential acquirers.

The process resulted in six private equity parties and multiple trade parties making an approach for Giacom.

The most appealing offer came in the form of a Lloyds Development Capital (LDC) backed deal which was intended to help the business accelerate its growth through increased investment into its proprietary platform, the integration of additional cloud products and expansion of its service provider network.

LDC is the most active mid-market private equity investor in the UK, having completed over 25% more buyouts and expansion deals than any other player within the last 10 years. LDC back ambitious management teams, partnering with them to add tangible value whilst allowing them to continue to run their business.

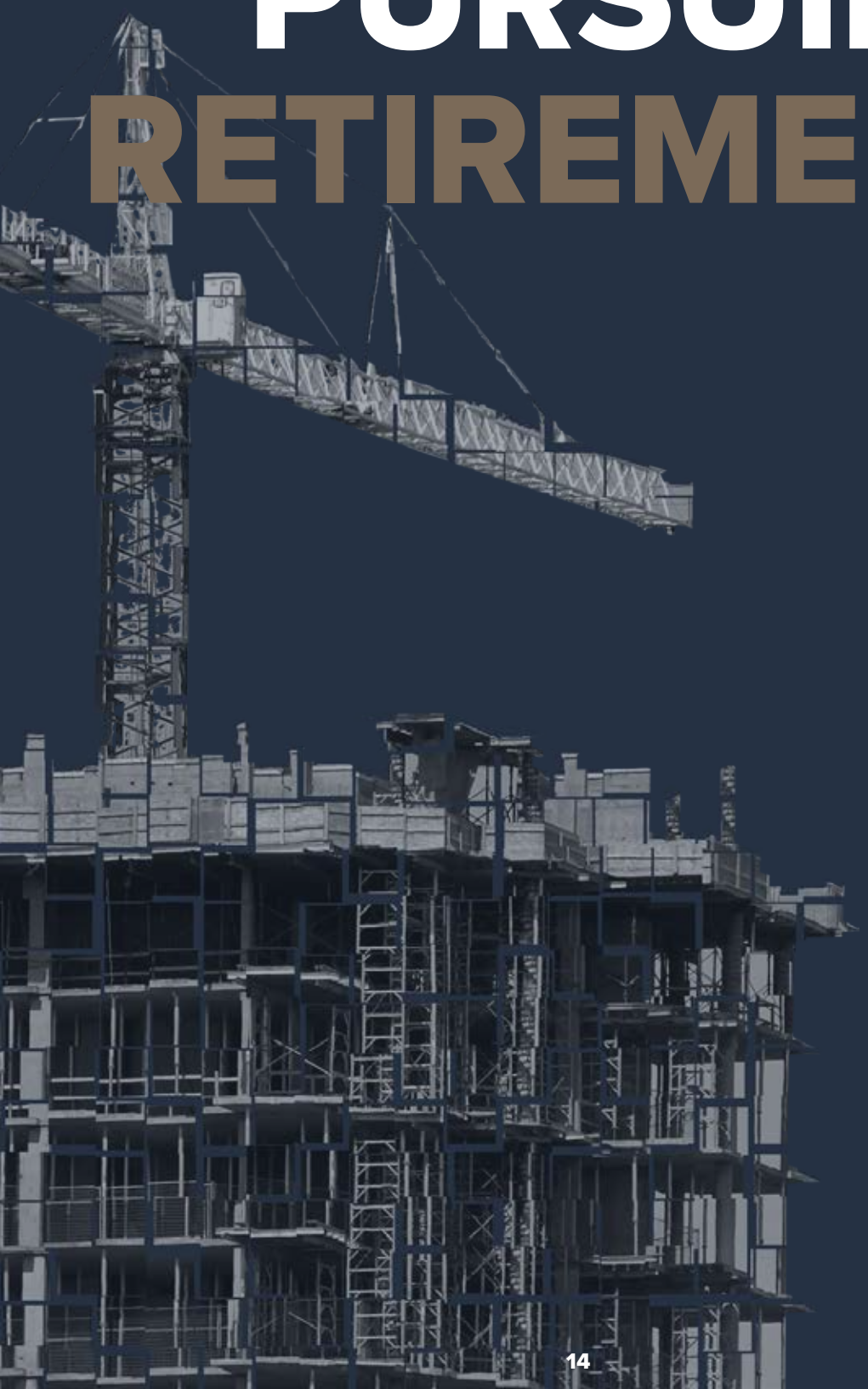
KBS Corporate was able to negotiate a sale value much higher than the original offer, and secure the maximum amount of working capital possible. The final deal value allowed the shareholder to extract the entire transaction value on day one whilst retaining 40% of the company.

With LDC's investment, Giacom planned to consolidate its leadership position within the UK Microsoft CSP market and expand its “MessageStream” platform through the addition of new, complementary software products for its micro SME end-user market, as demand for cloud-based solutions grows.

Giacom's founder and Chief Executive commented: “Bringing LDC on board will help us deliver our next phase of growth. As well as giving the business access to the capital we need to scale, LDC is a partner who understands not only our sector, but also our vision and ambition for the future. This is an exciting time for our customers, our network of consultants and our people”.

# SECURING INVESTMENT WHILST RETAINING 40% OF THE COMPANY

# PURSUIING RETIREMENT



## **A RAPIDLY GROWING MARKET LEADER**

Established by the shareholders over 20 years ago, HCD Group is the UK's leading provider of Building Control Approved Inspector services. HCD is a major player in taking building control from a lethargic public sector monopoly into a rapidly growing, value added private sector service. With a service offering including building control, fire safety engineering, project and cost consultancy, structural and civil engineering, and CDM compliance, HCD Group is able to offer its clients a truly 'one stop shop' for regulatory and compliance services within the construction sector.

HCD Group's market position in this area has helped to build a strong and varied client base over the years, with a high level of client retention and repeat work. Their client base includes industry leaders in construction, high street retail and financial services. The group has nine offices across the UK and has a turnover of £8m.

## **LOOKING TO SELL IN ORDER TO RETIRE**

The shareholders of HCD Group Limited expressed a desire to realise value in order to retire and invest in new business opportunities, and to do so, they appointed KBS Corporate as their advisor of choice. KBS Corporate worked closely alongside the shareholders for the duration of the process and set out to attain a sale value for HCD Group that exceeded their expectations.

KBS Corporate developed a research strategy in which different types of buyers from across the globe were targeted. Buyers from within the Testing, Inspection and Certification sectors were the main focus of the buyer reach. KBS Corporate has market leading credentials within this sector through our previous advisory on the £9.1m acquisition of Testconsult by James Fisher, and therefore, our team was perfectly placed to advise the shareholders of HCD Group.

The opportunity to acquire HCD Group attracted great interest, especially from overseas and international buyers.

Twelve interested parties came forward from the UK, France and Germany, with the three leading bidders all headquartered overseas. KBS Corporate was able to negotiate a final sale value that was 40% higher than the initial offer received, with 97% of the consideration received as cash on completion.

The eventual acquirer, Bureau Veritas, is a Paris-headquartered laboratory testing, inspection and certification services specialist. The group is the global leader within its field, and has around 66,700 employees located in 1,400 offices and laboratories across the globe. The combined business will employ more than 1,200 people in the UK across fourteen regional offices.

The acquisition fell in line with Bureau Veritas' strategy of augmenting its organic growth through UK acquisitions and expanding its reach. Ken Smith, Bureau Veritas' UK Chief Executive, stated: "HCD is a great cultural and strategic fit for our business. Both companies lead their respective markets in the provision of specialist services from a highly skilled team. There is also a shared focus on operational excellence and innovation"

Tony Dyer, Senior Director and one of the founders of HCD, commented: "The team at KBS Corporate outperformed our baseline value significantly by achieving a strong multiple for HCD Group. The way they handled the lead advisory and worked with the outside legal services meant that they overcame all of the many hurdles, allowing us to focus on the running of the business".

## **A FINAL SALE VALUE 40% HIGHER THAN THE INITIAL OFFER RECEIVED**

## DIFFERING SHAREHOLDER OBJECTIVES

The shareholders of UK Dry Risers Limited and UK Dry Risers Maintenance Limited had opposing needs; the majority shareholders were looking to exit the business with the intent of retiring and the minority shareholders wished to remain within the business. KBS Corporate's services were enlisted in handling this highly complex deal.

## THE UK'S LARGEST INDEPENDENT DRY RISER SPECIALIST

UK Dry Risers Limited is the largest, independent, national wet and dry riser specialist installer in the UK. Established in 2009, the company has grown exponentially year-on-year, experiencing an increase in turnover of over 40% from FY13 to FY15.

Based in Greater Manchester, the company offers specialist installation, maintenance and testing services of dry and wet riser systems throughout the whole of mainland Britain, with past projects including the London Olympic Stadium and the BBC News Studio.

The company provides its services directly to end users as well as sub-contracting for other fire protection and facilities management companies. Its reputation for a cost effective, concise and professional service is reflected in the growth of its client base month-on-month. In all, UK Dry Risers has in excess of 300 clients and is operating with a 100% client retention rate.

The four shareholders of UK Dry Risers Limited had varying and opposing needs; two senior shareholders were looking to retire and exit the business completely whilst the two, minority shareholders wished to remain due to their belief in the company's growth potential. The main objective of the sale was to balance and succeed in achieving these varying needs.

No less than 28 separate parties expressed an interest in acquiring UK Dry Risers, comprising several MBI candidates, PE/VC acquirers and numerous companies within the fire protection industry. Ultimately, a deal with Premier Technical Services Group PLC (PTSG) proved to be the preferred choice for our clients, with the final deal value worth 8x multiple of profits.

## A FINAL DEAL VALUE WORTH 8x MULTIPLE OF PROFITS

Paul Teasdale, CEO of PTSG, commented on his delight in welcoming UK Dry Risers Limited and UK Dry Risers Maintenance Limited as their latest additions to the Group, saying "these acquisitions offer a new service line to complement our existing extensive offering as the UK's largest niche specialist building services provider."

KBS Corporate worked with PTSG to try and bridge the gap between the two parties, believing in the growth potential of the maintenance company and the synergistic values that could be added to the larger group. We were able to structure a deal that would see our clients heavily rewarded for achieving future targets set by themselves.

The final deal structure allowed the senior shareholders to fully exit the business after a twelve-month handover period which was in line with their initial objectives. Equally, the deal structure saw the minority shareholders obtain senior management positions within the firm, supporting UK Dry Risers as it heads towards its status as a part of large and growing PLC.

KBS Corporate's Finance Director, Andrew Melbourne, led the deal and commented: "We were extremely pleased with the outcome and the post transaction integration has gone well. My relationship with the client was excellent and is still maintained; I am pleased to announce that they are well on track to achieving a maximum tier final payment and are already planning their well-deserved retirement."





# MANAGING CONFLICTING INTERESTS



# HAD ENOUGH AFTER 35 YEARS



**Having invested a significant amount of time and energy into the development of the company, the three shareholders of DW Plastics expressed a desire to sell their shares in order to support a change of lifestyle and the pursuit of personal interests. After coming to the market with another advisor without success, the shareholders instructed the services of KBS Corporate in order to deliver this outcome.**

Initially formed in 1980, DW Plastics manufactures and provides high quality bespoke and standard plastic extrusions, and specialises in the manufacture of innovative and complex designs. Since formation, DW Plastics has grown exponentially, earning an outstanding reputation for its truly unique service offering.

In 1997, after 17 successful years in operation, the company moved to its current premises in Chichester to accommodate the substantial growth of the business. In all, the company employs 32 people, including a management team that has extensive experience and knowledge of the industry.

There were two major objectives of our process. The first was to obtain strong interest from trade or high net worth investors, in case the MBO team could not source their own funding. The second objective was to create and manage a deal structure for the MBO team and lead the deal to completion.

The opportunity was presented to over 100 parties, which consisted of UK and overseas trade buyers, alongside a number of private equity investors with an interest within the plastics sector. Over twenty Non-Disclosure Agreements were signed, which resulted in four meetings and two offers. KBS Corporate entered into negotiations with one heavily interested international trade buyer, and attracted an offer from one of DW Plastics' competitors. Each could have been developed further if the MBO deal structure had proven unsuccessful.

The MBO was backed by Panoramic Growth Equity for the whole transaction value. Panoramic is a leading equity investor in fast growing, entrepreneurial companies.

Guy Haynes, Corporate Director at KBS Corporate, commented, "From the outset, our process was not only about delivering our clients the opportunity to enjoy a well-earned retirement, but also to ensure that the buyer shared the previous owner's values. Despite strong interest from trade, it was clear that the management team were the ideal buyers for the business and I am delighted that Panoramic were willing to fund the transaction".

# LOOKING FOR A CHANGE IN LIFESTYLE



**The exiting shareholder of Glynwood Insurance Services, Roger Wood, expressed a desire to sell his shares swiftly and remain within the company for approximately a year to assist with the transition.**

Based in Dudley, West Midlands, Glynwood is an independent community brokerage providing both commercial and personal insurance products. The company operates across three offices, all located within the local community for over thirty years.

Glynwood upholds long standing relationships with some of the UK's most reputable insurance providers including Ageas, Aviva, AXA and Zurich. In addition, the company boasts a client base with a renewal rate of 85%, and a wide spread of accounts in which no single client contributes to more than 10% of turnover.

Although the vendor expressed a desire to exit the company and realise a return on his shares, he also made clear his wish to remain within the company for a year-long handover period, to ensure that the new owner was well prepared to take control of Glynwood.

KBS Corporate's research strategy involved targeting over 120 potential acquirers, including trade buyers within the insurance broking sector, and private equity houses.

The opportunity to acquire Glynwood generated widespread interest, resulting in fifty parties registering their interest and signing Non-Disclosure Agreements. From this, eight buyer meetings were held and two offers were presented. Mr Wood found the offer from the eventual acquirer, Academy Insurance, to be most suitable.

Academy Insurance is a privately owned insurance broker, providing insurance services to over 60,000 customers annually. The company offers a diverse range of products including car, home, business, travel, pet and life insurance, to name a few.

Kevin Munn, Managing Director at Academy Insurance, noted that Glynwood is an "ideal Academy acquisition" due to the company being "a traditional high street broker with a loyal, predominantly local client base. Glynwood and Academy fit well together, and I know that my staff will be well looked after". The transition was made smoother by the exiting shareholder, Mr Wood, making the decision to stay within the firm for a handover period.

# A MULTI-AWARD WINNING MANUFACTURER AND SUPPLIER

Established in 1981, Natures Aid is a multi-award winning and highly accredited manufacturer and distributor of a proprietary brand of premium grade vitamins, minerals, food supplements and herbal products. Natures Aid's passion and commitment to the natural health industry has allowed the firm to build a reputation for quality products, supported by outstanding customer care, which has resulted in the company becoming one of the UK's leading brands of health supplements and the first choice for independent health retailers.

KBS Corporate engaged in comprehensive targeting and marketing of Natures Aid to key companies (both distributors and manufacturers) within the international vitamins, minerals and supplements market. We worked closely with the company to produce a research matrix which outlined our approach to buyer reach.

Sixteen trade and private equity buyers expressed interest in the acquisition of Natures Aid, and over half presented offers. The shareholders of Natures Aid found the offer proposed by STADA Arzneimittel to be the most attractive and, upon the advice of KBS Corporate, moved to progress with the sale of their company.

STADA is a pharmaceutical company which specialises in the production of generic and over-the-counter drugs. STADA, which is headquartered in Bad Vilbel, Germany, is represented in more than thirty countries worldwide and employs over 10,500 staff globally. STADA previously invested in Huddersfield-based pharmaceutical manufacturer, Thornton & Ross.

STADA chief executive, Dr Matthias Wiedenfels, said: "With Natures Aid, we acquire a leading company in the attractive UK food supplement market, which is also well recognised within international markets for its high quality standards. The acquisition not only matches our financial investment criteria perfectly, but it also represents a highly synergistic fit to our Thornton & Ross business in the UK, and will further strengthen our product portfolio within the attractive branded business, in line with our overall company strategy."

The skill and experience of the KBS Corporate team was leveraged to negotiate STADA Arzneimittel's offer to 9x EBITDA and facilitate a clean exit. The deal provided the client with 100% cash on completion and exceeded the vendor's value expectations.

## A FINAL DEAL VALUE OF 9x EBITDA AND 100% CASH ON COMPLETION

## REALISE INVESTMENT IN ORDER TO RETIRE

The founders and major shareholders of Natures Aid Limited approached KBS Corporate due to their desire to pursue a sale in order to realise their investment for retirement. The three shareholders had previously stepped back from the day-to-day running of the business and wished to sell Natures Aid to someone who would continue to drive profits and take the business forward into the future.

# REALISING A LIFETIME OF INVESTMENT



**Sunrent is a family-owned business based in Kent. The owners approached KBS Corporate and instructed our services with the aim of selling the entirety of their shares to an acquirer that would take the business forward.**

Sun Organisation Limited, trading as Sunrent, is a nationwide vehicle rental and contract hire operation. Formed in 2000, Sunrent offers a wide range of vehicles to fit the needs of their loyal client base, such as cars, vans, trucks and tractors, but mainly specialises in the provision of refrigerated vehicles to the food industry. Sunrent also supplies dry freight trucks from 7.5t – 26t box and curtain-sided trucks, commercial vehicles from 44t Tractor units and 7.5t – 26t crane vehicles.

Further ensuring client satisfaction, the company offers a number of different lease options for the vehicles including contract hire, finance lease, hire/purchase lease, operating lease or contract purchase. The family and staff members impressively hold over 40 years of experience in the contract hire and rental industry. Sunrent is proud of its unique status in the contract hire marketplace, whereby an unbiased proposal is ensured alongside a competitive price for its services.

Having understood the objectives and intentions of the shareholders of Sunrent, KBS Corporate began an in-depth and wide reaching buyer targeting process, whereby a range of buyers were approached. KBS Corporate also highlighted the sectors which we believed would hold buyers suitable for the acquisition of Sunrent. From this, we decided to target buyers within the vehicle and contract hire, repair and maintenance and automotive industries. 25 interested parties signed a Non-Disclosure Agreement in order to access a detailed Information Memorandum highlighting Sunrent's confidential information. This encouraged four buyer meetings, and two offers were presented as a result.

The eventual acquirer was contract hire and fleet management specialist, Prohire Group PLC. Established in 1997, Prohire has grown via acquisitions throughout its lifespan in order to become a significant operator in the commercial vehicle contract hire sector.

The deal was completed within 12 months of the opportunity coming to market. Jason Saunders, co-owner of Sunrent, commented: "The Saunders family would like to thank KBS Corporate for going the extra mile and making the transaction happen. It was a pleasure to work with KBS, and their professionalism was maintained throughout the process. We are looking forward to the future, and will help Prohire as much as we can to integrate Sunrent into their company".

**The shareholders of Vertical Transportation Limited approached KBS Corporate with intentions of pursuing a sale in order to retire. They felt that Vertical Transportation would benefit from being under the operation of a company within the same sector, but in a differing location, allowing the parent company to expand geographically.**

Vertical Transportation Limited is a construction and crane hire specialist based in Leighton Buzzard. Established for 35 years, the company offers a wide range of cranes, hoist, lifting and ancillary equipment for hire or purchase. The company upholds excellent relationships with its clients, who are made up of medium to large sized businesses within the construction sector, both in the UK (particularly in London and the South East) and overseas.

The business has evolved over the years through natural organic growth from its own reputation which is well recognised within the industry.

KBS Corporate assigned a Deal Executive with experience and knowledge of the construction sector to manage the deal, in order to ensure that the business was fully understood and that the right buyer was found.

KBS Corporate identified a number of key value drivers of Vertical Transportation and made sure that these were conveyed clearly to potential buyers in marketing and presentational documents.

The research team at KBS Corporate targeted potential buyers mainly from within the construction and crane hire sectors, but also contacted private investors and presented the opportunity to them. Three parties registered their interest and signed Non-Disclosure Agreements, which led to four buyer meetings. From this, an offer was received from City Lifting Limited, of a multiple much higher than our client expected.

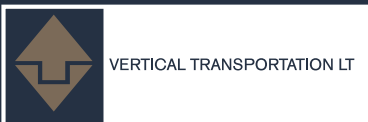
The acquirer, Essex-based City Lifting Limited, specialises in crane hire in the South East of the UK. The firm sought to acquire a company that was similar in nature and in a different location, to allow for expansion and geographical reach.

With Vertical Transportation fulfilling this criteria, City Lifting presented an offer that exceeded our client's original expectations. Operations Director, Matt Clancy, commented, "We are proud to have acted on behalf of Vertical Transportation and feel the two companies provide a synergistic fit to one another due to their similar expertise, and differing locations. I wish both parties the very best for the future."

# DRIVING THE BUSINESS FORWARD



# TAKEN THE BUSINESS AS FAR AS POSSIBLE





# DIFFERENT SHAREHOLDER MOTIVATIONS

 Boomerang Funding



## **A RAPIDLY EXPANDING FINANCE PROVIDER**

Located in Bromsgrove, Worcestershire, Boomerang Funding is a rapidly expanding finance provider for temporary recruitment firms. With extensive knowledge of a wide range of industry sectors, Boomerang Funding offers its clients a risk-free and catch-free funding solution.

Boomerang employs a number of staff members who have previously worked within the recruitment industry, and therefore they boast extensive knowledge of the sector in which they provide funding to. The company also places an emphasis on its provision of funding to start-up businesses.

## **SECURING FUNDING TO TAKE THE COMPANY TO THE NEXT LEVEL**

Two shareholders of Boomerang Support Services Ltd wished to exit the business in order to retire, and to facilitate their exit, they appointed KBS Corporate as their advisor. The shareholders hoped to sell Boomerang to someone who could provide the funding necessary to take the company to the next level and drive profits. The third shareholder, and Operations Director, had made the decision to continue his position within Boomerang post-sale, in order to run the company under the umbrella of the parent company. This was a major value driver of the company.

KBS Corporate engaged in a comprehensive buyer reach strategy, in which a variety of buyer types were targeted. Many private equity firms were contacted, alongside private equity backed targets.

33 parties registered interest, and multiple offers were negotiated before a deal was agreed with the eventual acquirer, Brookson Group Limited.

## **TARGETING A VARIETY OF BUYER TYPES**

Partnered with The Riverside Company, who invested in the company in December 2014, Brookson has been operating for over 20 years providing tax management, invoicing, cash management and financial services for self-employed contractors and micro businesses.

The acquisition of Boomerang fell in line with Brookson's growth strategy, in which Brookson hoped to expand via acquisitions and further develop its Outsourcing Division.

# RETIREMENT SALE



*Fairway*

## **A RAPIDLY GROWING MARKET LEADER**

Fairway International Travel is a provider of Corporate travel services and flights to professional golfers across the European Tour and Worldwide.

Based in West Yorkshire, Fairway has over 25 years of experience of the travel industry, and therefore upholds a unique position in the travel sector, and specifically in the golf break market.

Fairway displayed excellent growth potential, and had a number of innovative projects in the pipeline, such as the development of a Travel App and an online booking tool. KBS Corporate ensured that this scope for growth was conveyed to potential acquirers, in order to attain the best possible price for the company.

## **A DISPOSAL IN ORDER TO RETIRE**

Two of the three shareholders of Fairway International Travel Limited expressed a desire to retire, and so approached KBS Corporate as their advisor of choice. The third shareholder, who handled key client relationships, expressed a desire to remain within the business and retain their shares.

KBS Corporate ensured that an extensive buyer targeting process was conducted, in order to achieve maximum possible value for the shareholders. Multiple different potential buyers were contacted, including mainly corporate travel companies, and private equity/venture capitalist investors. In all, KBS Corporate presented the opportunity to over 200 targets.

The outcome of the buyer reach programme was that thirty parties registered their interest and signed Non-Disclosure Agreements. Six buyer meetings resulted from this.

KBS Corporate facilitated a competitive bidding environment, which resulted in an uplift of £800k from the original offer. Negotiations surrounding Heads of Terms followed and some changes took place in regards to working capital.

The eventual acquirer was Incorporate Travel Management Ltd, a £15m turnover company based in Manchester, that was aiming to open a sports division.

Incorporate Travel Management is very similar in nature to our client; they work with some of the UK's major brands to find its clients the best routes and reservations for travel.

Guy Haynes, Corporate Director at KBS Corporate, commented: "From the outset there was an obvious synergy between Fairway and Incorporate Travel. Incorporate was looking to develop a sports division and Fairway had an outstanding client base in the golf sector as well as an extremely well-run operation. This transaction allows two of our clients to exit the business as part of their retirement plans while the third can look forward to an exciting future with the company going forward. We had interest from several sources but it was Incorporate that picked the ball up and ran with it, and I hope that this transaction is a success for both sides."

## **PRESENTING THE OPPORTUNITY TO OVER 200 POTENTIAL ACQUIRERS**

# FINANCIAL GAIN



Pro-Check Environmental  
Services (Northern) Limited

**Approaching retirement, the shareholders of Pro-Check Environmental Services (Northern) Limited appointed the services of KBS Corporate in order to help release maximum value from their shares and carry out their exit strategies.**

Pro-Check is a Dundee-based pest control and environmental solutions company that delivers specialist pest control, cleaning and hygiene services. Specifically, over 60% of the company's turnover is derived from pest control services, making this industry Pro-Check's biggest market. The remainder of turnover is generated from cleaning and hygiene services.

The company operates in a broad range of sectors including the food, agriculture, healthcare, property, transport and engineering industries. Within these sectors, Pro-Check maintains relationships with over 140 clients and boasts a client retention rate of 70%.

At an early stage of the process, KBS Corporate identified that Pro-Check displayed significant growth potential, due to a number of factors.

Operating mainly throughout Scotland, Pro-Check's close proximity to England and the rest of mainland UK provided the opportunity for a future owner to expand the company geographically. KBS Corporate ensured that this was made clear to potential buyers.

The growing pest control market was also a key value driver, as identified by KBS Corporate, and this was portrayed clearly to potential buyers in presentational and marketing materials.

The research team at KBS Corporate compiled a list of over 80 companies to target within the trade sector. Around a dozen parties registered interest, resulting in four buyer meetings.

The eventual acquirer, Servest Group Limited, is a globally operating company that offers a diverse range of services, including cleaning, pest control and waste management.

Sonia Cottrell, Deal Executive at KBS Corporate, managed the deal through to completion and commented, "Throughout the sale, KBS Corporate developed a good relationship with the exiting shareholders of Pro-Check. The acquisition of Pro-Check is a great fit for Servest, as both companies share combined values and operate within the same sector, and offer the opportunity for expansion within the market."

# EQUITY RELEASE



**SKN**  
Contract Manufacturing

**The shareholders of SKN Electronics, Safir and Khurshid Ahmed, appointed KBS Corporate as their advisor to help realise their intentions to retire. Owned by the shareholders from inception, the Ahmed family wished to maintain a presence within the business post-acquisition.**

To realise their objectives, other family members decided to occupy key positions within the business, and plans were made for the company to continue operating from the premises owned by the family. Both of these factors would facilitate a handover period.

SKN Electronics is a Birmingham-based global electronics manufacturer and surface mount printed circuit board assembly specialist. Founded in 1986, SKN Electronics has spent over 30 years within the industry, and during this time, has built a strong reputation and secured a number of global contracts.

With a highly skilled and technical workforce, in addition to a strong second tier management team, the company is well placed to deliver the latest lean principles in the manufacture of high quality reliable products.

The opportunity to acquire SKN Electronics, marketed by KBS Corporate, generated widespread interest from both trade buyers and private investors alike.

The eventual acquirer, The Pexion Group, is a leading engineering service provider specialising in design and manufacture solutions. From aerospace and defence to the construction and marine industry, The Pexion Group is trusted by many global OEMs and tier two suppliers.

With The Pexion Group looking to acquire an electronics specialist in order to expand service offering, SKN Electronics proved to be the perfect fit.

Guy Haynes, Corporate Director at KBS Corporate, advised on the deal and commented, "Of all the potential buyers that we spoke to, there was a clear fit between SKN Electronics and The Pexion Group, and this transaction has the potential to be of great benefit to both parties.

"SKN is a true family business and the family will continue to be represented within the business going forward, as well as retaining ownership of the outstanding purpose-built premises. KBS Corporate wishes the exiting shareholders well in their retirement, and the companies all the best in their quest for growth."

## **ENSURE FUTURE BUSINESS GROWTH**

The shareholders of Vertik-Al approached KBS Corporate with intentions of pursuing a company sale that would achieve maximum value whilst also ensuring future development of the business. The shareholders were keen to support an acquirer in the integration of the business, but equally expressed a preference for a deal structure which would enable them to exit within a short period post-sale.

## **A LONG ESTABLISHED FAMILY OWNED BUSINESS**

Located in Birmingham, the company specialises in vertical and horizontal aluminium powder coating of products for the construction, rail, industrial and automotive industries. Products include extrusions, windows, doors, curtain walling, cladding and rainwater goods. The firm also fabricates and powder coats a range of louvres and aluminium security doors which are used in a wide variety of applications in the construction industry.

Founded over 50 years ago, Vertik-Al was the first company to apply powder to aluminium products in the UK. In the years since, the company has grown from strength to strength through continued innovation and a quality product offering. Vertik-Al is a family owned business that has passed through the hands of two generations.

KBS Corporate carried out a robust research strategy, which involved a full assessment of the UK and European buyer market (including targeting trade buyers, private equity houses and high net worth individuals). In addition, a bespoke exercise was created and conducted in Chinese, which enabled KBS Corporate to target a number of prospective buyers within the Chinese M&A market.

The opportunity to acquire Vertik-Al generated widespread interest, with over twenty potential buyers signing Non-Disclosure Agreements in order to learn more about the opportunity.

A competitive bidding process led to multiple offers received for the business, with the final offer delivering an outcome matching the vendor's aspirations. The structure of the transaction ensured that the vast majority of the consideration was paid in cash on completion.

Vertik-Al was acquired by an entity backed by venture capitalist, Jon Moulton. As part of a wider portfolio of investments in similar industry sectors, strategic and synergistic opportunities were central to Moulton's motivations to acquire Vertik-Al on behalf of his family office.

Post-acquisition, Moulton expressed a desire to develop Vertik-Al's sales and marketing strategy, invest in product research and development and open the company to new export markets.

John Hunt, Director at KBS Corporate, managed the deal through to completion.

## **A COMPETITIVE BIDDING PROCESS TO SECURE MULTIPLE OFFERS**

# SAFEGUARD FUTURE GROWTH

The logo for VERTIK-AL features a stylized 'V' on the left, composed of a dark blue triangle pointing down and a white triangle pointing up, with a small dark blue circle at the top left. To the right of this symbol, the word 'VERTIK-AL' is written in a bold, white, sans-serif font. A small dark blue triangle is positioned above the 'A', and a small dark blue circle is positioned below the 'L'.





pemxq

# SECURING LONG TERM FUTURE

**After successfully growing the company throughout the last decade, the shareholders of PEMXQ decided that the time was right to exit the company and place the business into the hands of a motivated new owner. The shareholders also decided to remain within the company for a 2-3 year handover period post-acquisition.**

PEMXQ is an Essex-based energy consultancy, committed to increasing the energy efficiency of its clients through its service offering of building services, energy consultancy, energy management, energy procurement and utility connection.

Established in 2004, the company has since built up an impressive UK wide client base with high retention rates, strong streams of recurring income, and an excellent reputation within the energy consultancy market. Clients operate in the construction, industrial, commercial properties and food manufacture sectors.

KBS Corporate conducted an in-depth and detailed research strategy, which resulted in a mixture of over eighty potential trade buyers, private equity and private investors being targeted.

The opportunity to acquire PEMXQ generated great interest, with seventeen interested parties signing Non-Disclosure Agreements and three buyer meetings held.

The eventual acquirer, The Consultus Group, is an international group of companies focused on providing energy management and procurement services. Consultus' acquisition of PEMXQ followed on from a string of other acquisitions as part of the company's expansion and diversification plans.

Tom Eatough, Deal Executive at KBS Corporate, advised on the deal and commented, "It was a pleasure to work with PEMXQ, so I was happy that we were able to find a well suited buyer for the company. I am sure that PEMXQ will continue to flourish under the ownership of Consultus Group and I wish both parties all the best for the future."



Initially formed in the 1880's, Frank Shaw (Bayonet) Ltd was acquired by the exiting shareholding family in 1923, and has maintained its status as a family business for almost a century since. The shareholders approached KBS Corporate in order to plan for retirement and concentrate on other businesses.

Located in Redditch, Worcestershire, the company provides fixing products such as panel pins, picture hooks and frame accessories, display hardware, upholstery and carpet tacks, nails and much more, in the well-known 'Bayonet', 'Challenge' and 'X' brands. Over the years, Frank Shaw has developed a strong client base, consisting of DIY wholesalers and retailers, craft stores and builders' merchants, 90% of whom provide repeat business.

With Frank Shaw displaying future growth potential in the form of new product ranges, in-store POS displays, and new sales and marketing strategies, KBS Corporate identified that the opportunity to acquire the company would attract significant interest within the market.

The research strategy consisted of a number of tasks: contacting trade buyers and private investors, liaising with our professional network and conducting a cross matching task with our internal database of acquirers. The opportunity attracted great interest, mainly from UK-based trade buyers, with interest from private equity investors, private investors and MBI candidates.

Ultimately, a proposed management buy in deal through a private investor offered the best terms for the exiting shareholders of Frank Shaw, allowing the company to thrive under the direction of a new owner and achieve further growth in the sector.

Tom Eatough, Deal Executive at KBS Corporate, advised on the deal.

# OTHER BUSINESS INTERESTS

**FS** frank shaw



# A SPECIALIST MANUFACTURER OF PRECISION MOULD TOOLS AND INJECTION MOULDINGS

Worcester-based Powell and Harber (Precision Engineers) Limited is a specialist manufacturer of precision mould tools and injection mouldings. The company supplies quality parts to a number of industries worldwide, including automotive, domestic appliance, medical, double glazing, mining and many others.

Specifically, Powell and Harber mainly specialise in the design and manufacture of complex single and multi-impression mould tools. Using the latest 3D product and tool design software, Powell and Harber offer high quality products and a fast response time to its customers.

At the time of sale, Powell and Harber employed 40 highly skilled workers, experienced in the plastic and injection moulding sectors. The company has been trading for almost 50 years, and during this time, has built an excellent reputation within the plastic and injection moulding industries.

The opportunity was presented to high numbers of trade buyers and private equity groups, alongside key players within the precision engineering, plastic and injection moulding sectors. Significant interest from potential acquirers was generated, with the opportunity to acquire Powell and Harber attracting 18 buyers.

Buyer meetings were conducted, and a total of ten bids were received.

## BRINGING 18 POTENTIAL BUYERS TO THE TABLE

The eventual acquirer, Goodfish Limited, was able to acquire Powell and Harber with equity investment from private equity firm, Finance Birmingham. Goodfish is a Staffordshire-based toolmaking and injection moulding company that supplies its products worldwide.

With Goodfish being an already existing member of the injection moulding sector, the opportunity established a strong synergy between Goodfish and Powell and Harber. The acquisition aimed to facilitate Goodfish's organic growth, enabling the company to work for larger customers such as original equipment manufacturers (OEMs) and more tier 1 automotive suppliers. The deal also enabled the two companies to share their best practice, match capacity to meet client demands and secure employment in the area.

Guy Haynes, Corporate Director at KBS Corporate, advised Powell and Harber on the deal through to completion, and commented, "I am delighted that the transaction reached a successful conclusion. I had an excellent relationship with Bill and Tom (shareholders of Powell and Harber) and their retirement is very well earned. The deal represented a fair solution for all parties involved. Powell and Harber is a company with a very rich history and I am confident that, under the new ownership of Goodfish, the firm will continue to grow."

## PLANNING TO RETIRE FOLLOWING A TRANSITION PERIOD

Powell and Harber was placed on the market with KBS Corporate due to the shareholders' intentions to retire. However, the outgoing shareholders offered to remain within the company for a short period of time to consult and advise the new shareholders, allowing for a smooth transition.

# RETIREMENT PLANNING

POWELL & HARBER





KBS House  
5 Springfield Court  
Summerfield Road  
Bolton  
BL3 2NT

[simon.daniels@kbscorporate.com](mailto:simon.daniels@kbscorporate.com)  
01204 291 591

[www.kbscorporate.com](http://www.kbscorporate.com)