



Getting the deal done

A showcase of recent deals from our Corporate Finance team

Another busy year of deal doing



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Quantuma has continued to go from strength-to-strength over the last 18 months. Although 2023 was a more testing economic environment than 2022, we lead advised on over 20 deals, across a range of sectors.

Quantuma is part of K3 Capital, the leading adviser in the UK. As a national business, our team completed 247 qualifying deals in the first 9 months of 2023, placing us 1st in the UK, 2nd in Europe and 4th worldwide in the Refinitiv rankings. This total was three times more than our nearest UK competitor in the same period, and we remain the most prolific deal doer across most UK regions.

2023 also saw Sun Capital invest in K3 to further grow our UK and international markets.

The Quantuma team has seen continuing deal activity across a number of sectors, despite obvious headwinds. We have also supported a number of stressed businesses with their investment and development plans.

An increasing exit route for owners has been via selling to an Employee Ownership Trust (EOT), and together with our sister company K3 Tax Advisory we structured a number of EOT transactions in 2023.

Despite the overall level of market completions being lower in 2023 than 2022, K3 grew its total market share and our pipeline remains strong, with an increasing flow of vendor activity anticipating a UK General Election during 2024 and the risk of Capital Gains Tax rate increases thereafter.

Private equity investors remain proactive albeit their deal flow has been more restricted.

We will be announcing further expansion of our service offerings across K3 during 2024, and developing our international Corporate Finance offering in our offices in Dubai, Singapore, Hong Kong and the Caribbean.

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Ian Barton

Managing Director
Head of Corporate Finance



Recent deals



Disposal of Climb Online



Ian Barton
Managing Director
Corporate Finance



The client

Climb Online was founded in 2015 by Mark Wright and Lord Alan Sugar as a result of Mark winning the 2014 edition of BBC TV series 'The Apprentice'. It is the first successful exit made of a winning Apprentice contestant's business.

Mark Wright entered the Apprentice after founding Climb in his bedroom and transforming it into a significant player in its market and building a career path for its employees. The business had developed into a full-service, market leading digital marketing agency employing around 50 staff and serving a number of significant clients including TikTok, Emirates, Groupon and CV Library.

What we did

We advised on the sale of Climb Online to XDNA Interactive. The deal was delivered at a significant multiple and substantially in cash at completion. Mark Wright has made a small investment in XDNA and remains a non-executive director of Climb Online.

The sale of the business attracted a significant level of public interest due to the nature of its founding and shareholders. Handling this, in light of the high profile and its shareholders needed careful and rigorous management. We ensured that a focused process of reviewing interested parties and deliverability of offers was undertaken. The level of international interest and global client base meant that conducting the deal across time zones meant much of the transaction needed to be delivered remotely.

The outcome

We successfully structured and delivered the deal - the enlarged XDNA group now has 130 staff and is looking to significantly grow its UK business with the investment received. Given the nature of the founding of the business, it highlights the success that entrepreneurs can have in starting up their businesses and sourcing supportive funding to build a business of scale that ultimately can be acquired by an international operator.

Mark Wright, founder of Climb Online, said:

"I couldn't have sold my business without Ian and his team's expertise. When Lord Sugar and I first started being approached by trade and financial buyers and decided to sell our business we knew, in order to have the most structured process and achieve the highest price, we needed to work with people like Ian..."

...by far the best part of working with Quantuma was the team. They are truly a different class of professionals. Their knowledge of buying and selling a business is unmatched and they dominated the process at every stage. The buyer profiling, pre-screening, meeting prep and follow-up made my job easy, so that all I ever needed to do was talk about my business. It was no surprise we got lots of interest and a great price.

They were always at the end of the phone, sometimes at crazy hours to educate me on a point or calm my nerves towards the end. I genuinely think of the team as friends and the next time I'm buying or selling a business, they will be our first call. Thanks for everything!"



Disposal of Launch Diagnostics



Ian Barton
Managing Director
Corporate Finance



The client

Launch Diagnostics is a leading UK and European supplier of medical diagnostic testing equipment and consumables to hospital pharmacies across a range of medical conditions.

Established in 1990, Launch Diagnostics is one of the most successful companies in the UK's diagnostics industry, providing immunodiagnostic and molecular test products, and technical support across a range of healthcare settings.

What we did

Quantuma acted as sell side adviser to the founder shareholder on the sale of Launch Diagnostics to listed business Avacta plc. Working closely between buyer and seller an agreement was made reflecting upfront consideration and an earnout on a cash only basis.

Using its existing market leadership position, Launch Diagnostics had become a significant supplier of Covid testing products into hospital environments across the UK and Europe, building off its existing links into the global supply chain and expertise within PCR testing. The fluctuations throughout the pandemic and with changes in new Covid variants meant that planning for and understanding a future level of sales for such products was highly subjective.

As a market leader in the supply of diagnostic kits the rigour of regulatory and commercial diligence alongside financial and legal was paramount.

The outcome

This was one of the largest deals of 2022 in the Kent region (disclosed as £37m in total) and represented an excellent realisation for the founder shareholder who handed on the business to a new owner to continue its growth and expand its footprint into other medical settings and geographies.

The transaction involved Avacta sourcing significant new funding which was delivered in the period shortly after the Autumn 2022 'mini-budget' during a period of significant dislocation in debt and equity markets, the challenges of which should not be underestimated.

Launch employs 70 staff in Longfield, Kent and Yorkshire based Avacta sees this as a platform investment in the sector for further growth in the UK and across Europe.



Disposal of Doctors Clinic Group



Ian Barton
Managing Director
Corporate Finance



Calvin Bond
Director
Corporate Finance



The client

The Doctors Clinic Group is a leading provider of primary private GP healthcare services, secondary care services and occupational health services. The business has the ability to offer patients same day appointments at one of its 20 clinics or via video GP technology.

What we did

The Quantuma team was appointed by the shareholders of the Doctors Clinic Group to lead an accelerated sales process that would identify a strategic investor for the business and provide an exit for the existing shareholders within a short timeframe.

The business had been heavily impacted by the various lockdowns in 2020 and 2021 which resulted in reduced footfall across the private GP clinics. This led to a period of loss making for the business that was ultimately funded by additional capital injections from the shareholders. However, the Doctors Clinic Group rapidly recovered as lockdowns eased with an unprecedented level of patient demand for private GP appointments.

The sale process required a pragmatic and flexible approach, but with strict deadlines in place to ensure an outcome could be delivered for the shareholders in an efficient manner.

The outcome

Quantuma advised on the sale of the business to Spire Healthcare plc for £12m.

The transaction provided a meaningful exit for the shareholders whilst providing the business with the investment required to capitalise on the significant market shift towards private healthcare in the UK.

As a result of the acquisition, Spire Healthcare plc has expanded its service offering into the private GP healthcare market and added scale quickly by acquiring an established clinic and patient base supported by a mix of employed and self-employed GPs.



Disposal of Prometheus



Ian Barton
Managing Director
Corporate Finance



Calvin Bond
Director
Corporate Finance



The client

Incorporated in 2013, Prometheus (consisting of Prometheus Safe & Secure and Prometheus Complex Care) provides secure transportation and specialist observation services for individuals with mental health needs.

Prometheus has established a reputation for professional and high-quality service through its commitment to patient care and safety, 24/7 availability and rapid response times.

What we did

Quantuma advised the shareholders of Prometheus on the sale of the business to RCI Group, a portfolio company of Literacy Capital plc.

From identifying the buyer, to negotiating the Heads of Terms, managing the due diligence process and advising the shareholders on the financial aspects of the legal documents, Quantuma provided support to the shareholders at every step of the sales process.

We ran a competitive process by marketing the business to a targeted list of potential suitable buyers and this led to a great deal of interest from both private equity and trade buyers with several offers being received.

The outcome

The private equity backed RCI Group, proved to be the best fit for the shareholders in terms of the deal structure offered and the shared ethos towards high quality healthcare service provision.

We were able to deliver a transaction that met the needs of each individual shareholder. This included an equity participation opportunity for the management team led by Tim Slater (Managing Director) and Jeff Watts (Commercial Director), who will remain with the business to support its continued growth.

The transaction provides an excellent opportunity for Prometheus, and its employees, to continue its impressive growth journey as part of a larger healthcare group with an aligned goal of improving life outcomes for people across the UK.

The relationship with RCI will create significant new growth opportunities for the business including expanding geographically, winning new clients and continuing to develop new service offerings with a focus on providing high quality care services to individuals with complex needs.



LDC investment in E Trading Software



Ian Barton
Managing Director
Corporate Finance



The client

Etrading Software is a technology business that designs, builds and operates solutions for global capital markets.

The company, founded in 2004 and headquartered in London, specialises in providing the market and reference data used by international financial institutions and is the primary service and technology provider to the Derivatives Service Bureau (DSB), the global numbering agency for over-the-counter (OTC) derivatives.

The business is also a leading digital software provider to multinational corporate loan market participants, providing data aggregation tools that enhance workflows, deliver efficiency gains and digitise their loan market operations.

What we did

Quantuma supported the Etrading Software Ltd management team on their investment with LDC, the private equity arm of Lloyds Banking Group.

We provided advice on the management terms of the transaction for the investment into Newco, as well as advice in terms of the negotiation on locked box and due diligence findings as well as project management of the deal through to completion.

The outcome

LDC's investment will support Etrading Software to continue growing its range of technology-enabled services and to expand its offering of data services internationally. LDC is backing the existing management team, led by CEO Sassan Danesh, who founded the business in 2004.

The business has also developed an affiliate relationships across the US with Coefficient Markets led by ETS MD Grant Wilson and Europe to support their expansion plans.

James Oliver, who was CFO at previous LDC investment BOFA on which Ian Barton previously supported on its investment and exit, joined the business as CFO on completion.



Disposal of Proper Cornish



Mark Lucas
Managing Director
Corporate Finance



George Jackson
Associate Director
Corporate Finance



The client

Founded in 1988, Proper Cornish is a high-performing and dynamic manufacturer of frozen, savoury pastry products based in Cornwall, with state-of-the-art infrastructure, a loyal and diverse customer base and a clear plan to continue its excellent growth trajectory. Specialising in Cornish Pasties, the business has an extremely strong position in the UK market and a differentiated positioning around quality, authenticity, and sustainability.

What we did

Quantuma advised the shareholders of Proper Cornish on its sale to French quality food producer, Boncolac.

Quantuma managing director and Corporate Finance lead, Mark Lucas, led the sales process on behalf of the shareholders and was supported by associate director, George Jackson. Quantuma's team advised the shareholders on the development of the business plan and undertook a strategic marketing process that identified Boncolac as the right buyer to help accelerate growth, retain the brand and its entrepreneurial ethos.

Boncolac Group is a leading French frozen sweet and savoury baked products manufacturer with a diversified product portfolio, entrenched international commercial relationships and a highly dynamic and profitable macarons division.

Boncolac Group is backed by Waterland Private Equity Investments.

The outcome

The transaction delivers continuity for Proper Cornish as part of the Boncolac Group, an ambitious Pan European buy-and-build project and allows the Sellers to secure the shareholder value created by Proper Cornish's growth trajectory and investments.

The acquisition offers Boncolac clear commercial synergies through various cross-selling opportunities and establishes a strong presence in the UK market.

Proper Cornish CEO, Chris Pauling said, "Mark, George and the Quantuma team were simply brilliant to work with. They were an exceptional support through every stage of the process and made our job easy.

"They clearly understood our business and the market, which was reflected in the expertly written and designed marketing materials and their ability to generate lots of interest from potential buyers. They were on the front foot throughout and were instrumental in finding the best price and home for our business and getting the deal done.

I'd thoroughly recommend them to any entrepreneur looking to raise investment or sell a business!"



Disposal of Tay River Holdings



Adrian Howells
Managing Director
Corporate Finance



Richard Hill
Manager
Corporate Finance



TAY RIVER HOLDINGS

The client

Founded in 2020, by marine underwriters Paul Hartley, James King and Chris Goddard, Tay initially comprised three niche MGAs (Vessel Protect, Trafalgar Marine Trades and BMM Ports & Terminals) which have achieved strong growth. The group has since launched two new MGAs trading as Freeboard Maritime and Fortify Marine. Tay River Holdings and its five MGAs are backed by the A-rated security of Lloyd's syndicates.

The acquired group specialises in marine trades' liability, ports & terminals liability, marine war risks and kidnap & ransom, maritime professional indemnity, freight and logistics insurance, as well as brown water hull insurance.

What we did

Quantuma has advised the shareholders of London-based Tay River Holdings, and its five specialist Managing General Agents (MGAs) on their sale to Pen Underwriting, a subsidiary of the global brokerage Arthur J. Gallagher, for an undisclosed sum.

Adrian Howells oversaw the sales process on behalf of the shareholders, which was led by Manager, Richard Hill. Adrian and Richard negotiated the technical and commercial aspects of the deal on behalf of the shareholders. Creating momentum in the process, the team drove the deal to exchange in short order.

The Quantuma team worked closely with Sam Jones and Rick Life of TLT LLP to deliver the transaction.

The outcome

The deal adds more than £90 million of gross written premium and a 17-strong team of specialist underwriters in marine liability and trades to the underwriting and distribution giant, Pen.

Tay River Holdings Managing Director, Paul Hartley said, "Full credit for the growth, performance and profitability of our portfolio over these first three years must be given to the skills and tenacity of our fantastic team of specialist underwriters. Now we want to take the business to the next level and Pen, with its depth of resources and established 'virtual insurer' infrastructure, offers us the ideal home to continue our story of expansion and diversification in niche areas of the marine market.

Adrian and Richard provided excellent advice and support, adapting to the needs of the transaction and shareholders to ensure the deal was executed efficiently. They quickly understood the intricacies of the group finances and how any complications could be pragmatically managed, while contributing ideas for maximising value.

I would happily recommend them to anyone seeking investment or selling a business."



Disposal of PCB Technical Solutions Limited



Adrian Howells
Managing Director
Corporate Finance



Richard Hill
Manager
Corporate Finance



The client

PCB provides technical maintenance for retail, commercial and industrial facilities, as well as installation of HVAC and smoke control systems, predominantly for the retail industry, as well as commercial operations, public institutions and main contractors. PCB's extensive service network provides 24/7 nationwide coverage, servicing 345 facilities in cities across the UK.

What we did

Quantuma advised the shareholders of UK-based PCB Technical Solutions Limited on its sale to Warsaw-listed Sescom, providing the Polish retail-focused technical facilities management specialist with a platform from which it will expand its UK operations.

Adrian and Richard leveraged Quantuma's extensive resources to identify suitable potential acquirers both in the UK and overseas, before agreeing the strategy with the client and executing a targeted marketing plan.

Having secured offers from numerous parties, the team worked with the shareholders to identify the best fit and negotiate the terms of the proposed acquisition. Adrian and Richard worked with the publicly-listed acquirer and its advisors to achieve a successful sale, which involved working pragmatically with the acquirer's lenders to structure the acquisition.

The outcome

The acquisition provides PCB and Sescom with the opportunity to cross-pollenate within an international client base and provides Sescom with a well-respected team to lead its UK offering. It will also enable PCB to offer new solutions to its clients, including energy cost optimisation and facility asset management.

Generating £10m of revenue in FY22, PCB is well-established and makes an ideal partner to deliver Sescom's future UK growth.

Slawomir Halbryt, CEO of Sescom SA, explains:

"At the end of 2022, we were maintaining over 40,000 facilities for over 60 international clients in 25 domestic markets. We have accumulated a wealth of experience but still did not have sufficient British resources to become a leading British FM services provider. For several years, we have been searching for a reliable local partner to strengthen our offering in the UK. We believe we have found that partner in PCB, which will lead to significant international growth."

PCB managing director, David Cooper said:

"The PCB team has steadily grown to become one of the leading UK specialists in retail and commercial technical facilities management, providing our clients with a reliable partner to install and maintain their facilities. We're really pleased to find a like-minded partner in Sescom, who will support us in our next phase of growth."



Acquisition of Grist Limited



Mark Lucas
Managing Director
Corporate Finance



Duncan Moore
Manager
Corporate Finance



Tom Egan
Assistant Manager
Corporate Finance



The client

Momentum ITSMA enables ambitious companies to achieve market-beating performance by winning, growing and retaining their most valuable client relationships. The transaction was a strategic acquisition to grow Momentum's suite of services.

What we did

Quantuma advised Rockpool Investments-backed Momentum ITSMA to provide financial due diligence on their acquisition of thought-leadership services provider, Grist Limited.

This was the second financial due diligence project the Quantuma team completed in the year to support Momentum ITSMA and Rockpool.

The transaction was delivered by Quantuma's Corporate Finance team led by Managing Director Mark Lucas with support from Managers Duncan Moore and Tom Egan.

Tax due diligence was provided by the K3 Tax Advisory team comprising Managing Director Holly Bedford and Tax Manager Paul McFarlane.

The outcome

The acquisition allows Momentum to provide a wider range of services to its established and growing client base. For Grist, this will provide access to a new and scale on its growth journey.

Ollie Taylor, Investment Manager at Rockpool Investments, said:

"We were very pleased with the support Quantuma provided us, identifying the key issues early on and working in a focused and efficient manner. The team provided invaluable support and we look forward to continuing to work with the Quantuma team in the future."



Employee Ownership Trust of Grosvenor



Adrian Howells
Managing Director
Corporate Finance



Richard Hill
Manager
Corporate Finance



George Fawcett
Manager
Corporate Finance



The client

GCMI is a specialist vehicle logistics company, which was established in 2004 to provide vehicle leasing companies with outsourced services including vehicle collection, asset recovery, process serving, enforcement and tracing of customers.

What we did

We advised on the sale of Grosvenor Credit Management & Investigations (GCMI), a prominent vehicle collection company, to an Employee Ownership Trust (EOT). This marks a significant milestone for GCMI, as its founder empowers the company's workforce to deliver the next phase of its journey.

Quantuma Advisory acted as the trusted financial advisor throughout the process. The team provided lead financial advice, company valuation, tax structuring, debt advisory, and leveraged its extensive experience in delivering M&A transactions to navigate complex issues to deliver a successful transaction.

The transaction was delivered by Adrian Howells (Managing Director), Richard Hill (Manager) and George Fawcett (Manager) of Quantuma's Corporate Finance division. The Corporate Finance team was supported by Daniel Sladen (Managing Director) and Dominic Lay (Associate Director) from Quantuma's sister company, K3 Tax Advisory, and K3 Debt Advisory, who secured third-party funding from Allica Bank.

The outcome

Ben Lee, founder and sole shareholder of GCMI, realised the majority of his investment and will remain Managing Director of GCMI to provide continuity to his customers and ongoing support to his team. Meanwhile Lisa Pugh and Nigel Jackson will join Ben on the Board of the TrustCo, acting as trustees of the EOT.

The sale of shares to an EOT is a transformative step that empowers employees by providing them with beneficial ownership of the company, aligning their interests with the long-term success of the company and ensuring an exciting future for the business. By embracing this employee-centric approach, Ben is keen to build on GCMI's culture of collaboration, innovation, shared responsibility and shared rewards.

Ben Lee, owner of GCMI, said:

"This moment marks a significant milestone in our journey, and I want to express my heartfelt gratitude to our incredible team and customers who have supported us on this journey. I am pleased to continue working alongside the team to deliver GCMI's strategy. I would like to extend my appreciation to the Quantuma and K3 team, who provided exceptional deal support and invaluable guidance."

The EOT transaction was delivered in partnership with sell-side lawyer Rebecca Burford (Partner at Charles Russell Speechlys), and Jeremy Hyde (Director at Howes Percival), who acted as a lawyer on behalf of the Trust. The collaborative partnership ensured that the transaction was tax compliant while securing a tax-efficient deal for the vendor.



Disposal of Clausematch



Adrian Howells
Managing Director
Corporate Finance



George Fawcett
Manager
Corporate Finance



The client

Clausematch is a leading RegTech company supporting some of world's leading institutions across Financial Services, FinTechs, Insurers, and other highly regulated industries. Clausematch's proprietary SaaS platform ensures these companies achieve the highest levels of regulatory compliance and governance in an increasingly complex environment, while supporting sustainable growth, reducing costs and avoiding costly fines and reputational damage.

What we did

Quantuma collaborated with Aethon Partners to advise Clausematch on its sale to Ireland-based Corlytics to create a pioneering RegTech platform.

The transaction was successfully delivered by Quantuma's Adrian Howells, Managing Director and George Fawcett, Manager, along with David Schreiter and Stephan Werner (both from Aethon Partners) and Rebecca Burford and Pei Li Kew (both from Charles Russell Speechlys).

This strategic acquisition redefines the RegTech market by creating an unrivalled platform that provides comprehensive regulatory risk solutions to many global Tier 1 organisations. It will support an 80-strong client base that includes 14 of the world's top 50 banks and allows them to stay ahead of the growing regulatory demands using advanced metadata and AI models that enable intelligent tagging and mapping of regulatory documents and policies.

The outcome

Evgeny Likhoded, founder and CEO of Clausematch, who will now take on the role of President of Corlytics said:

"We are incredibly proud to join forces with Corlytics on the next stage of our journey. Our clients have been asking for the integration of regulatory content into our platform for a long time. By combining and accelerating our products and client relationships, we will drive a revised compliance operating model and unlock new value for our esteemed clients, redefining the RegTech landscape.

Through the combined products, our clients will be able to show to the regulator how a regulatory change is assessed, implemented and communicated internally and be able to provide compliance attestations in a single platform. It's a first-of-a-kind offering that does not exist today and it will change how financial services firms manage compliance."

CEO of Corlytics, John Byrne, said:

"As Corlytics' second acquisition of the year, this deal marks a new milestone in the growth journey of our platform. We are thrilled to incorporate Clausematch into the next level of growth and welcome Evgeny Likhoded as our new President. We look forward to bringing the RegTech industry to the next level of maturity – providing a one-stop-shop RegTech solution that meets and exceeds evolving regulatory needs."



Disposal of Lifecast Body Simulation



Ian Barton

Managing Director
Corporate Finance



Richard Hill

Manager
Corporate Finance



Tom Egan

Assistant Manager
Corporate Finance



The client

Launched in 2017, Lifecast has invested heavily into the development of a range of highly accurate and lifelike medical manikins, utilising a combination of expertise from paramedics, leading medical experts and the film special effects industry.

Lifecast manikins are anatomically correct, with a range of models reflecting the entire family, from pre-term babies through to elderly adults. With different genders, ethnicities and medical conditions, Lifecast manikins better represent the world's diverse population and improve memory retention and learning outcomes. The manikins are used by medical training institutions all over the world. Lifecast has become the globally renowned leader in the design of medical manikins.

What we did

Quantuma advised on the sale of Lifecast to 3B Scientific, based in Germany.

The Quantuma team undertook a strategic marketing process, which identified 3B Scientific - a global provider of state-of-the-art medical simulators, based in Hamburg - as a strong fit to accelerate the company's growth and innovation. Ian and Richard successfully negotiated and delivered the complex transaction on behalf of the shareholders, with the support of Tom Egan.

Lifecast is one of many cross-border transactions that the Quantuma team has completed in 2023.

The outcome

Dave Halliwell, co-founder and director of Lifecast, said:

"With 3B Scientific's expertise and cutting-edge technologies, we are taking our product pipeline to the next level, ensuring we bring the best solutions to the market. By joining forces with 3B Scientific we are not only expanding our distribution reach but also gaining access to a wealth of knowledge and resources. Together, we aim to revolutionise the industry and make a lasting impact on the way healthcare professionals are trained.

Ian and Richard's advice, support and persistence were essential and generated real value for the shareholders in what has been a complex deal. With many intricacies to navigate, their pragmatic approach to solving challenges as they arise has been extremely valuable and greatly appreciated.

We would like to thank the Quantuma team for their hands-on advice throughout the process, handling a variety of challenges in a robust and supportive manner and would not hesitate to recommend them to prospective clients."



Employee Ownership Trust of ABC Glass Processing



Phillipa Robinson
Director
Corporate Finance



Darra McCarthy-Paul
Assistant Manager
Corporate Finance



The client

Established in 1999, Portsmouth-based ABC Glass Processing (ABC) is a glass processing specialist and is among the leading bespoke glass manufacturers and glass suppliers in the South of England. From its 20,000sq ft factory, ABC offers a wide variety of products and services, ranging from glass cutting and processing, to balustrades and glass splashbacks. The business has a circa £5m turnover, and has built an unrivalled reputation within the glass industry for providing high-quality products to its loyal customer base.

What we did

The Quantuma team delivered the sale of ABC to an Employee Ownership Trust (EOT). This is a noteworthy achievement for ABC, as its three glass merchant founders empower the company's workforce to play an active role in the next phase of its journey.

This transaction was delivered by Quantuma's Corporate Finance experts Director Phillipa Robinson and Assistant Manager, Darra McCarthy-Paul. Tax support was provided by Managing Director, Holly Bedford from Quantuma's sister company K3 Tax Advisory.

The EOT transaction was delivered in partnership with sell-side lawyers Howes Percival and Bright LLP who acted as a lawyer on behalf of the Trust. The collaborative partnership ensured that compliance with regulations was achieved, in order to secure a tax-efficient deal for the vendors.

The outcome

The transaction allows the shareholders to realise the value they have created over the last 20 years and to enjoy their retirement with the comfort of knowing that the structure of the business remains in place for staff and the legacy of ABC can continue.

The sale of shares to an EOT is a transformative step that empowers employees by providing them with beneficial ownership of the company, aligning their interests with the long-term success of the company and ensuring an exciting future for the business.

Ian Sawyer, Director at ABC commented:

"As a close-knit family business at heart, with an ethos grounded in service and quality over quantity, we decided that an EOT was the right option to carry the company forward for the long-term benefit of it and its employees and for the exit of the current owners. In this journey we were very grateful for the unwavering support of the Quantuma team led by Phillipa Robinson. We are also very appreciative of the legal teams involved whose advice was invaluable. The process was undertaken in volatile market conditions but successfully concluded."



Employee Ownership Trust of The Specialist Blind Co



Adrian Howells
Managing Director
Corporate Finance



Richard Hill
Manager
Corporate Finance



The client

The Specialist Blind Co. (SBC) Ltd was incorporated in 2000 by Peter and Helen Matthews and specialises in made-to-measure blinds, specifically remote-control blinds, and home automation integration. Whilst the transaction has allowed Peter and Helen to realise their investment, Peter will continue as Managing Director of SBC, supported by longstanding employees Cheryl Ede and Sarah Edwards. This will provide continuity to both customers and employees.

What we did

Quantuma advised on the successful completion of the transfer of SBC into an Employee Ownership Trust (EOT). This transfer presents SBC's staff with the opportunity to benefit from the ongoing success of this established business, as well as its future growth.

The transaction was delivered by Managing Director Adrian Howells and Manager Richard Hill. The team was supported by colleagues from Quantuma's sister company, K3 Tax Advisory, Managing Director Holly Bedford and Associate Director Dominic Lay.

Quantuma acted as the trusted financial advisor throughout the process. The team provided lead financial advice, company valuation and tax structuring, whilst leveraging its extensive experience in delivering M&A transactions to navigate complex issues and deliver a successful transaction.

The outcome

Rather than maximising value by selling to a third-party buyer, Peter and Helen were exceptionally keen to ensure the company remained in the hands of its employees, who have supported them in creating a high-quality product offering. Similarly, Peter and Helen declined to introduce third-party debt, which can be employed to accelerate payments to the exiting shareholders, thereby leaving SBC on stronger footing.

EOTs grant employees effective ownership of the company. Studies have shown such structures to motivate employees to drive further growth, as they hold a stake in the long-term success of the company and stand to benefit from any future dividends. This not only helps to improve employee retention but can also help to recruit the best new industry talent.

Peter Matthews, owner of SBC, said:

"The transition to employee ownership is an exciting step in SBC's development and I would like to convey my profound appreciation to our remarkable team and loyal customers who have supported us throughout the years. I look forward to working alongside the team as we continue to evolve and innovate to provide exceptional products to our valued customers.

My thanks to the Quantuma and K3 Tax Advisory team, who provided exceptional deal support, generated added value in this transaction and proved to be a solid sounding board when considering options in what can evidently be a complex transaction."



Disposal of Rob Pond



Philippa Robinson
Director
Corporate Finance



Darra McCarthy-Paul
Assistant Manager
Corporate Finance



The client

Founded in 2002, Rob Pond is an independent and established wholesale distributor that supplies plumbing and heating products in the UK. The Company has supplied innovative, niche and commodity products to national customers for over 20 years.

What we did

Quantuma advised the shareholders of Rob Pond on its sale to Flowmax Limited, an industrial holding company with a portfolio of small and medium sized enterprises associated with the manufacture, import and distribution of medium technology fluid management and control products, renewables, pharmaceuticals and technical products.

The transaction was successfully delivered by Quantuma's Philippa Robinson, Director and Darra McCarthy-Paul, Assistant Manager. The team identified the ideal buyer using their unique in-house buyer matching engine tool. Once the buyer was sought the team assisted by negotiating the Heads of Terms, managing the due diligence process and advising the shareholders through the legal process prior to completion.

The outcome

The acquisition allows shareholders to step away from the business, realise the value in the business that they have generated over the last 20 years, whilst knowing the team in place will be supported in growing the business moving forwards.

Rob Pond, former CEO, said:

"This is very exciting for the future of our business and staff, as Flowmax offer so much more potential to develop the product range to take the company to its next level. From small beginnings to now is an emotional time. It is with huge thanks to all our valued customers over the years, our staff, with Alex Marshall at the helm, that the company is where it is today. I feel we have found the perfect parent company to power us on!"



Employee Ownership Trust of Langley Design



Philippa Robinson
Director
Corporate Finance



Darra McCarthy-Paul
Assistant Manager
Corporate Finance



The client

Established in 2006, Langley is a leading supplier and manufacturer of street furniture to a number of sectors including education and housing across the UK. Langley provides a range of high-quality products including benches, pergolas, bike racks to their loyal customer base.

What we did

The Quantuma team delivered the sale of Langley to an Employee Ownership Trust (EOT). This is a great achievement for Langley, as it allows its founders to empower the company's workforce to play an active role in the next phase of its growth journey.

This transaction was delivered by Director, Philippa Robinson and Assistant Manager, Darra McCarthy-Paul. Tax support was provided by Managing Director, Holly Bedford from Quantuma's sister company K3 Tax Advisory.

Quantuma acted as the trusted financial advisor throughout the process. The team provided lead financial advice, company valuation and tax structuring, whilst leveraging its extensive experience in delivering M&A transactions to navigate complex issues and deliver a successful transaction.

The outcome

The transaction allows the shareholders to realise some of the value they have created since establishing the business in 2006. The sale to the EOT allows them the comfort of knowing that the team are aligned to continue the legacy they have created.

Selling to an EOT allows employees majority ownership of the company. The new structure will motivate and align employees within the business to support its future growth plan, as they hold a stake in the long-term success of the business and stand to benefit from any future dividends. This not only helps to improve employee retention but can also help to recruit the best new industry talent.



Disposal of John Anthony



Philippa Robinson

Director
Corporate Finance

The client

John Anthony is a men's clothing company offering an unparalleled variety of designer brands, from long established international designers to great up and coming niche brands.

Established in 1979. John Anthony is one of the longest running independent men's fashion retailers in the UK. It was one of the first retailers in the country to introduce a series of culturally significant brands in Menswear - being one of the very first doors in the UK for Stone Island, C.P. Company, Comme Des Garçons, Y-3 and many other collections that went on to become and still are major players in the industry.

Since its inception, the business has grown steadily into becoming a destination store for men's fashion in five major cities in the South of England.

JOHN ANTHONY

What we did

The Quantuma team was approached to run a targeted sales process to a select few parties. Philippa Robinson, Director, managed the process and through her contacts generated strong bids from three different parties, using the competing bids to generate a number of different options for John Anthony.

The outcome

John Anthony was sold to Frasers Group where the long-standing brand was added into the wider Fraser's retail group.



Refinancing of Douglas Baker Plastics Limited



Mark Lucas
Managing Director
Corporate Finance



Phillipa Robinson
Director
Corporate Finance



Tom Lucas
Assistant Manager
Corporate Finance



DOUGLAS BAKER PLASTICS

The client

Douglas Baker Plastics Limited (DBP) is a long running family-owned plastic masterbatch company based in the heart of the UK. DBP produce plastic polymers in colours bespoke to their customers and these are then transported across the UK and beyond, so that they can be used in the plastic moulding process of their customers' choice. The colour masterbatch created by DBP can be found in wheelie bins, stadium seating and many other plastics.

What we did

Quantuma was approached to find a solution that would enable the shareholders to step away from the business and provide an opportunity for the business to modernise. After approaching the market with the view of a full sale of the shares, we understood that more value could be created for the shareholders if a chairman was found to drive the business forward alongside the existing Managing Director ahead of a second capital event.

Quantuma introduced an experienced chairman to buy into the company and work alongside the existing management team whilst enabling the existing shareholders to step away from day-to-day operations. We also found the right lender to help finance both cash out for the shareholders as well as providing the necessary funding to help the business grow.

The outcome

The transaction allows the shareholders to realise some of the value they have created whilst enabling them to retain 25% equity in anticipation of a second capital event in a few years' time. With the introduction of a chairman, the shareholders have been able to step away from day-to-day operations and trust that the business is moving forward.

The transaction also enabled the shareholders to reward the longstanding Managing Director with equity as a reward for his work over his long career.

Working with Holly Bedford from our sister company K3 Tax Advisory, we were able to structure the transaction in a tax efficient manner whilst ensuring the shareholders retained as much equity as possible. This also involved extracting the property from the company structure so that the shareholders retained ownership.



Further deal highlights

Further deal highlights



Below is a selection of our other recent deals.



AMA

Accelerated disposal of Askif, a CBILs tech platform to Love Finance.

2023

Fintech



Disposal

Disposal of Uni-Pol, a global specialist superalloy manufacturer to Doncasters, a leading international engineering firm.

2022

Engineering



Disposal

Modelling support on the disposal of Vivup, a leading employee benefits business to Omni Partners

2022

Employee benefits



Disposal

Disposal of EC Electronics, a leading electronics manufacturing business, to Rockpool Investments.

2022

Electronic engineering



EOT

Disposal of Intec Systems, an IT consultancy to an Employee Ownership Trust

2022

IT services



Disposal

Disposal of a compliance software business to Ethos backed Compliancy.

2022

Regulatory services

A M A R A
LIFE · STYLE · LIVING

AMA

Accelerated disposal of luxury retailer to Frasers Group. A solvent sale was achieved.

2022

Retail



MBO

Advised to support an MBO of facilities management business, backed by NVM Private Equity.

2021

Facilities management

Further deal highlights



Below is a selection of our other recent deals.



Disposal

Disposal of a regtech and compliance consultant supplying the financial services industry to Ethos Partners LLP

2021

Regulatory services



MBO

MBO of datacentre business backed by LDC, a private equity firm.

2021

Data infrastructure



Disposal

Disposal of Select Medical, a healthcare business, to Herida, a large healthcare manufacturing group.

2021

Healthcare



Disposal

Secured investment through minority disposal for cyber security services provider to BGF

2021

Cyber security



Disposal

Disposal of a multidiscipline infrastructure consulting business to French engineering group Egis

2021

Business services



Disposal

Disposal of an influential architecture magazine to Danish media company JPP

2021

Media



Disposal

Disposal of a large consular agent to CIBT, a large US business operating in the same industry.

2021

Consular services



Acquisition

Acted as lead financial adviser for Whistl on their acquisition of product sampling agency Relish.

2020

Business services



Our team

The team



Mark Lucas

Managing Director
Corporate Finance

 +44 (0)7500 585852

 mark.lucas@quantuma.com



Ian Barton

Managing Director
Corporate Finance

 +44 (0)7881 816001

 ian.barton@quantuma.com



Adrian Howells

Managing Director
Corporate Finance

 +44 (0)7725 909852

 adrian.howells@quantuma.com



Philippa Robinson

Director
Corporate Finance

 +44 (0)7753 821598

 philippa.robinson@quantuma.com



Calvin Bond

Director
Corporate Finance

 +44 (0)7766 440108

 calvin.bond@quantuma.com



George Jackson

Associate Director
Corporate Finance

 +44 (0)7469 278600

 george.jackson@quantuma.com

The team



Richard Hill

Manager
Corporate Finance

 +44 (0)7586 631612

 richard.hill@quantuma.com



Duncan Moore

Manager
Corporate Finance

 +44 (0)20 3856 6720

 duncan.moore@quantuma.com



George Fawcett

Manager
Corporate Finance

 +44 (0)7469 276129

 george.fawcett@quantuma.com



Tom Lucas

Assistant Manager
Corporate Finance

 +44 (0)7877 170247

 tom.lucas@quantuma.com



Darra McCarthy-Paul

Assistant Manager
Corporate Finance

 +44 (0)7435 282401

 darra.mccarthy-paul@quantuma.com



Tom Egan

Assistant Manager
Corporate Finance

 +44 (0)7854 862388

 tom.egan@quantuma.com

Part of K3 Capital Group Limited



A multi-disciplinary and complementary professional services group

K3 Capital Group Limited is a listed professional services group that provides a range of advisory services to SMEs across the UK and overseas. The group was created to provide complementary services to businesses and individuals and includes corporate finance, R&D tax credits, restructuring, forensic accounting, cross-border and debt and tax advisory services.

K3 capital
group



A specialist M&A advisory firm within the telecoms, technology, and software sectors specialising in strategy services aimed at helping clients articulate and deliver on their business aspirations.



Provides business sale services that identify and match the sellers of SME businesses to trade, individual and institutional buyers both in the UK and overseas.



An execution model for clients mandated through KBS Corporate whose complexity or value requires a service led by directors with a qualified and technical background.



Provides a business transfer service which utilises extensive online advertising including business for sale portals and its own proprietary buyer database in order to match buyers and sellers.



Offers strategic tax advisory and planning services to clients undertaking complex transactions and planning in order to mitigate tax risk and maximise their value.



inTAX

A leading tax investigations business comprised of chartered tax advisers and former Inland Revenue inspectors with many years' experience in assisting businesses and individuals who are subject to tax investigations and tax enquiries of all types.



An R&D Tax Credit specialist servicing clients across the whole of the UK. The RandD team possess specialist knowledge and senior level experience across the tax spectrum, allowing them to operate across a wide range of industry sectors.

Quantuma

Corporate Finance | Financial Advisory | Disputes Investigations & Valuations

Tax Advisory | Debt Advisory | Restructuring & Insolvency

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