Our investment in people
Restructuring, Debt and Pensions Advisory in 2017
Key highlights

Corporate Finance deal numbers

130+ deals completed to date in 2016

£3.8bn cumulative value

35 private equity deals

43 international deals

Business services 20

Technology, media and telecoms 26

Consumer 30

Financial service 7

Healthcare 8

Pension assignments

Over 450 pension advisory assignments since 2004

Restructuring, Debt and Pensions Advisory Team

48 partners and directors

330+ professionals

26 offices

Awards

Ranked 1 Corporate Finance Advisor in the UK 2012, 13, 14 & 15 (Source: Experian Corpfin)

British Accountancy Awards 2015 - Global Firm of the Year

IFT Awards - Advisor Turnaround & Transform Winner 2014

British Accountancy Awards 2014 - Top 50 Pensions Team Winner

2016 Pensions Age Awards - Pensions Accountancy Firm of the Year
Introduction

Uncertainty in the business and financial markets is creating opportunities for some companies to grow, whilst others are facing more difficult trading conditions. Grant Thornton is investing to support our corporate, banking and investor clients to help them successfully navigate whatever challenges they are facing. We are the go-to firm for growth and lead the way in advising the mid-market.

In 2016 we have completed over 130 mid-market transactions and over the last four years we have been ranked No 1 Corporate Finance Adviser in the UK by Experian Corpfin. Clear statistics that show we know our market, how to do deals and get results for our clients.

In the past eighteen months we have made a tremendous level of investment in people through both exciting external hires from specialist boutiques, the Big Four and industry as well as focusing acutely on developing our own people. These appointments and promotions have taken our team to a record 48 partners and directors supported by over 330 dynamic professionals. With professionals in 26 offices we have a presence throughout the UK as well as strong expertise in international assignments.

Our experience doesn't just come from doing deals, it's also from really knowing our sectors. Our strong sector led teams have been bolstered yet further with new senior hires including the former CEO of Vauxhall UK, Bill Parfitt and former Group Engineering Director and Product Creation & Delivery Director of Jaguar-Land Rover, Bob Joyce joining Grant Thornton as Advisory Consultants. Both Bill and Bob bring unrivalled automotive industry experience to our team and to the delivery of our transactions in this complex sector.

The purpose of this booklet is to re-introduce you to our core teams in Restructuring, Debt and Pensions Advisory and show how the firm continues to build its focus on creating, protecting and realising value in the mid-market.

Shaun O’Callaghan
Partner, Head of Restructuring and Debt Advisory
Our Lender Advisory specialists provide debt restructuring and transaction advisory services to lenders. Our services cover the entire lending lifecycle from raising and negotiating new debt facilities, monitoring and reviewing existing facilities, financial and operational restructuring serving as financial advisers to steering committees, refinancing, contingency planning and recovery through to insolvency.

We have credibility and capability in the large corporate market working with lenders and management teams, typically with bilateral or syndicated facilities up to £1 billion. Our approach combines senior-led service delivery, breadth of expertise and agility.

The breadth and quality of professionals on this double page shows the strong investment we’ve made in this area of the team.

Did you know that...

...our partner appointments include:

- Amaechi Nsofor, an internal promote, specialises in advising lenders and corporates on refinancing and restructuring debt, particularly in complex and distressed bilateral and syndicated lending situations. Amaechi tends to work internationally on a cross section of sectors including heavy industries and travel and leisure. He also leads our oil and gas advisory offering.

- Sarah O’Toole with 18 years’ extensive corporate recovery experience at Zolfo Cooper Europe and most recently at AlixPartners. Adult social care, construction and renewable energy are just three industries in which Sarah has strong, recent experience.

- Senthil Alagar brings 17 years’ of exceptional experience in restructuring and turnaround, having served as an adviser and as a restructuring banker, as well as having worked for a major UK retailer. His sector credentials include TMT, retail, hospitality, travel and leisure, energy and business services.

Alongside the first-rate credentials of our existing people, our Lender Advisory team is now the strongest it has ever been.
Case Study: Project Castillo

Background
• A syndicate of 16 lenders, owed €220 million from an overleveraged European steel manufacturer, appointed us to deliver a refinancing process.
• An earlier amend and extend exercise had failed to address the unsustainable leverage levels.

How we made a difference
• Our engagement team provided a diverse range of solutions, not only addressing the refinance but also advising on working capital improvements, providing a detailed market review and identifying operational efficiencies for the group.
• We carefully project managed the process and communicated with the lenders. Debt continued to be traded during the period of the restructuring and the stakeholders had diverging interests, creating increasingly complex inter-creditor issues throughout the engagement.
• Drawing on our extensive insolvency expertise, we provided detailed insolvency outcome analysis to the lenders to enable them to make an informed decision.

Solution
• The refinance was successfully agreed in 10 weeks, significantly quicker than the four months taken for the previous refinancing.

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Our Debt Advisory team advises borrowers, owners and sponsors on the raising, refinancing and restructuring of debt. Through our understanding of the funding landscape and expert knowledge of the credit process, we devise tailored funding solutions as part of a sustainable capital structure in line with the shareholders’ strategic ambition.

Did you know that...

...the deals we have led include:

- £97m of new money facilities for a global construction company.
- €320m bridge to bond bank facility strategy analysis for an international leisure business.
- £70m new money facility for a high street retailer.
- €50m new bank facilities for a listed global pharma group.
- £30m of development funding for a private education institution.
- US$100m accordion facility for the buy-out of a technology company operating in over 50 countries worldwide.
- £650m debt facilities review and strategy for a FTSE150 property services business.
- £20m of buy-out debt facilities for a private recruitment business.

Why do our clients choose us?

They choose us because we seek to understand the borrower’s strategic ambitions to ensure our debt advice is consistent with the objectives of shareholders or creditors. We work closely with management teams, sponsors and lenders and gear our work streams towards leveraging our technical and commercial knowledge of the debt markets, utilising our relationships and our experience of delivering successful debt-raisings and refinancings.
Case Study: Wasabi Sushi Bento Limited

Background
- Wasabi is a branded food chain which has experienced rapid growth, growing to over 50 sites since its founding in 2003.
- Wasabi is focused on accelerating its growth through new site roll outs in both the UK and overseas.

How we made a difference
- Wasabi approached Grant Thornton for assistance in raising debt finance to expand its site roll out programme and construct a new central processing unit.
- In response, we constructed an integrated financial model template to assist the management team in its business planning. We also provided industry insight given our considerable experience in this sub-sector of food and beverage.
- This enabled Wasabi to draw up a credible business plan supported by an integrated financial model and detailed trading assumptions. We carried out a comprehensive review of this business plan which included the consideration of different operating and financing scenarios. This initial process culminated in Wasabi raising a new £11 million revolving credit facility in mid-2015.
- In early 2016 Wasabi began contemplating its next phase of growth and we worked again with management to assist them in raising their second debt package. This second debt raise process was conducted against the backdrop of Brexit and the associated economic uncertainty, particularly in respect of foreign exchange rates. Working with the incumbent lender, we assisted Wasabi in raising a new £20 million revolving credit facility, £4 million asset finance facility and £1 million import finance facility.

Solution
- Over a two year period we worked very closely with management on a series of debt raises to further the strategic ambitions of Wasabi. This has allowed the business to continue with strong like-for-like growth and accelerate its roll-out strategy.

- First fund raise (May 2015)
  - £11 million revolving credit facility

- Second fund raise (October 2016)
  - £20 million revolving credit facility
  - £4 million asset finance facility
Corporate Advisory

Our Corporate Advisory team brings together specialists from our Transactional and Operational Advisory teams, blending skill sets in M&A, restructuring, real estate, performance improvement, turnaround and transformation.

Today’s business environment can be volatile, uncertain and demanding of senior business leaders, putting value and growth platforms at risk. As specialists in the mid-market, we understand how corporates in this space can create, protect and, ultimately, maximise their value.

Did you know that...

...recently appointed partner
Helen Dale is driving our Corporate Advisory offering. She is passionate about the creation and preservation of value in vibrant businesses.

The team work hands-on with executive boards and their senior management teams/project leads to plan and deliver effective and sustainable change across their organisations and to the benefit of all stakeholders. The way the team work with clients is varied but has included:

- working on-site with the senior team of a multi-national retailer to develop their strategic plan including supporting the raising of £65m in new financing.
- 14 months on-site with Jaguar-Land Rover (following their separation from Ford) working on the design and development of a supply chain risk assessment process.
- leading strategic business planning projects (both mainstream and turnaround) across various sectors including for UK fashion brands, multinational retailers, manufacturers and TMT businesses.
- working with the senior boards of both UK and international organisations to de-risk strategy execution and to accelerate change (Consumer, Aerospace, Industrial and TMT).

Key People

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Case Study: Project Blue

Background
- A £350 million family owned group of businesses focused on the sourcing, importing and distribution of a variety of fresh produce.
- The family was alert to changing market dynamics and recognised that a reorganisation of the group could help ensure that each group company was positioned to deliver on its value potential.
- The group’s management and its owners had concerns at how change might impact the group’s credit worthiness and how, practically, a reorganisation could be undertaken so as to both maximise value and minimise risk.

How we made a difference
- Our engagement team undertook a rapid review of the business and its operations, setting out both pre and post reorganisation credit profiles.
- We worked with senior teams to agree clear communication plans and the priority practical next steps required in delivering the reorganisation.
- As a result of our work, we were also able to identify where valuable assets were tied up in wide reaching security structures but providing no real additional benefit to the security holder; releasing these assets has given the group significant flexibility in creating increased value going forward.

Solution
- Changes were made to the reorganisation plan to better protect the business and its credit profile and to better position the group for future growth, benefiting the group, its owners and financial stakeholders.

- Fresh produce
- £350 million revenue
- Grant Thornton advised management and shareholders
Our Pensions Advisory team has performed over 450 covenant advisory assignments since 2004, providing employer covenant and actuarial advice and negotiation assistance in the context of Scheme Specific Funding (SSF) valuations, transactions, PPF levy management, on-going covenant monitoring and liability management and risk reduction. Our specialist team is equipped with the level of insight and experience needed to address complex covenant reviews, transaction impact analysis and scheme restructurings.

We have worked with schemes and companies from all sectors and of all sizes, from assets of several million pounds to multi billion. Larger schemes we have worked with include Kier, Kodak, Thomas Cook, Sodexo and Ineos.

Did you know that...

...we are award-winners for our pensions’ solutions?

In recent years, we have acted as lead advisers on three high profile and ground-breaking pension-centric corporate restructurings:

- Kodak
- UK Coal
- Uniq

Subsequently we were awarded:

- Pensions Team of the Year at the British Accountancy Awards 2014.
- Turnaround Adviser of the Year in 2014.
- we are currently holder of Pensions Age’s Pension Scheme Accountant of the Year 2016.

Our team has a unique relationship with the regulatory regimes. We understand scheme funding and clearance guidance having helped the Pensions Regulator (tPR) to design and operate the former and to review the latter. We have obtained a detailed insight into tPR and the Pension Protection Fund (PPF) by investing in a secondment programme which has seen eleven secondees working at tPR and the PPF to date.
Case study: Project Perisher

**Background**
- A world leading independent tank storage provider for the oil and chemical industry.
- All five of the sponsoring employers of the company’s UK defined benefit plan were subject to a proposed disposal by their parent company to a consortium for a consideration in excess of £300 million.
- This involved four of the five employers remaining as sponsoring employers, with the parent settling the estimated s.75 deficit of the other employer.

**How we made a difference**
- The pension plan trustees approached us to review the potential impact of the proposed transaction on the covenant provided by the employer to the plan.
- After a detailed review, our conclusion was that this transaction would have an adverse effect on the covenant as a consequence of the debt involved and so we provided support and guidance to the trustees during further negotiations with the employer.
- In those negotiations, we helped the trustees maintain a good relationship with the employer whilst at the same time ensuring their point of view was understood.

**Solution**
- Revised valuation assumptions and a new recovery plan were agreed with the new owner.
- A lump sum was also received by the plan to mitigate for the detrimental impact of the transaction.

*Grant Thornton made it clear that they would go the extra mile for the scheme and the trustees. I was very, very impressed and I would definitely use them again without hesitation...*

...Grant Thornton fitted in perfectly to our existing team of trustees and advisers, in particular making the trustees comfortable by making a difficult and complex situation easy to understand and by making us feel like we were fully included in the decision-making process."

-Chair of Trustees
Project Perisher
Sectors

We consider sector expertise to play a key role in engaging with stakeholders and unlocking the optimal route to value. Our teams have a broad range of hands-on experience across numerous sectors, supplemented by industry experts who bring insight and in-depth knowledge of sector trends.

Don’t just listen to us, hear what our clients have to say...

Grant Thornton’s thorough understanding of our business enabled the Board to assess and execute what we believe is the best strategy for our Company’s future. The team were high calibre and committed and they understood the challenges associated with the exit of a long established family business. We look forward to building on this relationship as we grow our ingredients business in the future.

Rory Bowman
CEO
Jas Bowman & Sons Limited

We appointed Grant Thornton to advise us because of their in depth knowledge of the sector, as well as their execution expertise, and benefited greatly from this throughout the transaction.

Martin Scott
Partner
The Riverside Company

We have been delighted with the support and advice that the Grant Thornton team has given us during the disposal of Thomson Local. They were able to combine deep media sector knowledge with extensive technical expertise and were able to guide us through a series of highly complex pensions and accelerated M&A procedures and negotiations. The Grant Thornton team were instrumental to the success of the transaction and we look forward to working with them again in the future.

Gautam Sahgal
Finance Director
Thomson Local Limited
Grant Thornton understand the nuances of the healthcare sector better than other firms of advisors that we have used. They got to know our business very well understanding the key drivers which are important to help us succeed. They are responsive and perform really well within the timescales that we set. Without exception the team integrated well with ours, adopting a personable and inclusive approach to problem solving.

Sarah Garner
CFO
Holmes Care Group

We have been delighted with the work that the Grant Thornton team has done for us. Their strong sector knowledge and transactional experience has been invaluable, resulting in us finding a partner that secures a great future for the business and delivers an outstanding result for the shareholders.

Nicholas Gomersall
Managing Director
Telegesis (UK) Limited
The CEO Room - A critical thinking space for business leaders

Grant Thornton’s CEO Room is a dedicated, stimulating and interactive space for a one-to-one discussion where business leaders will be able to work on their key strategic, financial and leadership issues free from the distractions of day-to-day operational demands.

The CEO Room will help you think clearly, not only about your immediate issues but also your ambitions and objectives and to stress test existing strategies. You will be challenged on existing and established thinking to help unlock valuable insights, consider critical strategic issues and identify solutions that will help to achieve sustainable profit growth.

We have designed The CEO Room to help you most when you face the challenge of a significant change.

**Common triggers are:**
- A change of leadership or owners
- A period of significant market and/or regulatory change
- Preparation for a capital markets transaction
- Preparing for a refinancing
- Tough trading and a restructuring
- Integration of acquired businesses
- New market entry
- A crisis of reputation.

For further details or to book a workshop, please speak with your usual contact or email us on headroom@uk.gt.com
Tailored Options Process

In times of uncertainty, businesses need to rapidly assess and understand the options available to them. Key stakeholders need the confidence that the options on the table are deliverable.

Using our Tailored Options Process, we will work with key stakeholders and senior management teams to rapidly assess and, where needed, achieve the following critical success factors:

- stabilise the cash position of the business
- improve the accuracy of short term cash forecasting
- provide challenge to existing Plan A strategies
- progress Alternative Plan options (to a point capable of delivery)
- ensure constructive engagement with key stakeholders
- ensure delivery to agreed milestones throughout

Often in these situations, management teams struggle to retain a quality focus on the day to day running of their business due to unnecessarily widespread business disposal or refinancing processes. Equally, such processes can risk value erosion as the business can be rapidly exposed to negative press and uncontrolled market messaging.

Grant Thornton’s Tailored Options Process ensures that credible options are assessed confidentially and that only targeted approaches are made to potential funders and/or investors known to have a proven track record and case for investment. Our approach is designed to improve the terms, value and overall efficiency of the process.

Our Tailored Options Process is delivered by a team which is both passionate about and experienced in protecting and maximising value.

For further details, please contact Helen Dale on:
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Grant Thornton offered exceptional advice, the team is very involved… more than typical advisers.

Company Director

Grant Thornton helped us to put our basic plans into a well-built strategic plan, they managed the sales process professionally; we are very pleased with the end result.

Company Director