



Grant Thornton

An instinct for growth™

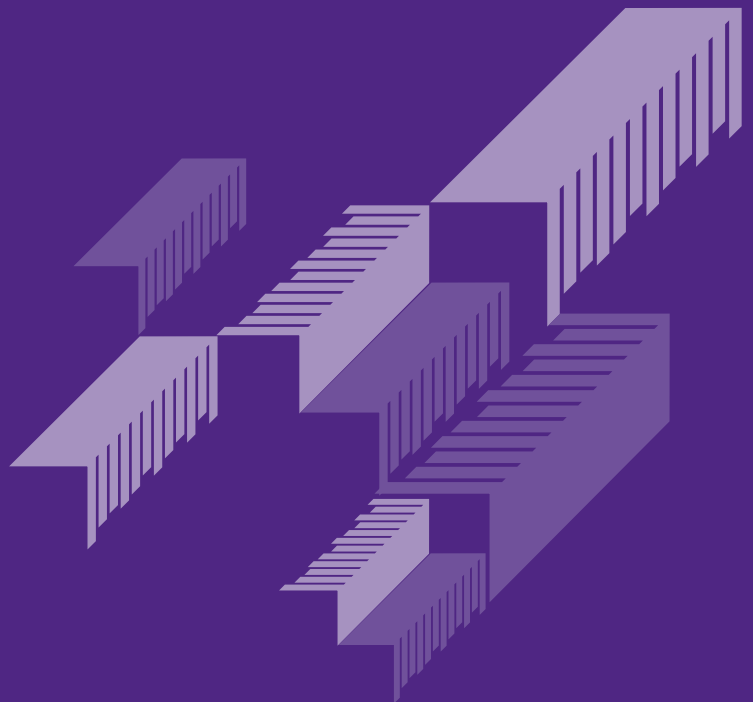
Leading the way

A review of corporate finance deals in 2016



Contents

01	Industry outlook 2017
02	Key highlights
04	What we do
06	Business Services
08	Consumer Markets
12	Healthcare
14	Technology, Media and Telecommunications
18	Industrials
22	Financial Services
24	Private Equity
26	Contact us



Industry outlook 2017

Economic and political uncertainty has weighed on the overall level of deal activity in 2016, with a notable slowdown in the number of completed deals in the second half of the year as the Brexit effect started to filter through. However, the mid-market has proved the most resilient and whilst downside risks remain, we are cautiously optimistic about the level of deal activity in the coming year.

In a world where topline growth remains hard to achieve, whether companies are investing or divesting, M&A is high on the corporate agenda. There is still a huge amount of liquidity in debt and equity markets that is looking to be deployed. Corporate balance sheets are generally strong, however, there is an increasing laser focus on return on capital which we expect to see driving more non-core divestments in the coming year, as companies focus on their core activities and where they want to invest.

Volatility in capital markets has created a difficult environment for new issues and the IPO pipeline has been relatively thin. However, we believe that the attractiveness of UK assets, particularly for overseas buyers could underpin an increased level of public market deal activity in the coming 12 months. The UK's decision to leave the EU and the resulting marked depreciation of sterling is likely to have a positive impact on M&A activity. UK assets are more affordable for overseas buyers than they have been for some time.

The takeover of ARM Holdings by Japan's SoftBank is a prime example, not only of this currency impact, but also of strong trade and financial buyer interest in the technology sector. We expect the robust level of deal activity in technology to continue in 2017, with the healthcare and consumer markets (despite downside risks to overall consumer spending) also likely to remain busy.

The pool of capital available is very large and includes a wide variety of different types of investor. Debt funds, family offices and other institutional investors are active alongside corporate and private equity operators. The range of potential investors and their ability to take a flexible approach is leading to a more creative deployment of capital including joint ventures, partnerships and minority deals. Political and economic uncertainty is unlikely to lift any time soon, so a longer term view and a balanced approach to volatility and risk will be key to successful deal doing.

Valuations remain strong for the right businesses with strategic relevance or scale. Owners of good quality assets continue to have numerous financing alternatives, whether for growth capital or to release equity value from the business.

Against this backdrop, the Grant Thornton M&A team has enjoyed a very successful year, achieving a record level of transaction activity across a range of different sectors and deal structures. We have helped clients close 134 deals, with a cumulative deal value of £4.4 billion in 2016, making us one of the top Corporate Finance advisers in the UK. The strength of our international network and corporate relationships saw us close £1 billion of deals with overseas buyers, whilst a further £1 billion transactions involved Private Equity. We continue to invest in growing our M&A business and increasing market share. Focusing on the resilient mid-market, and drawing on our deep sector knowledge and extensive global network, we have helped our clients find innovative solutions to finance their growth and realise value.

We are always keen to work with active, dynamic businesses and individuals who continue to be the driving force in the UK economy. If you are contemplating your strategic options for 2017 and beyond, we would be delighted to discuss this with you and share our thoughts. Please feel free to contact me or any member of the team.

Andy Morgan

Corporate Finance Advisory Leader

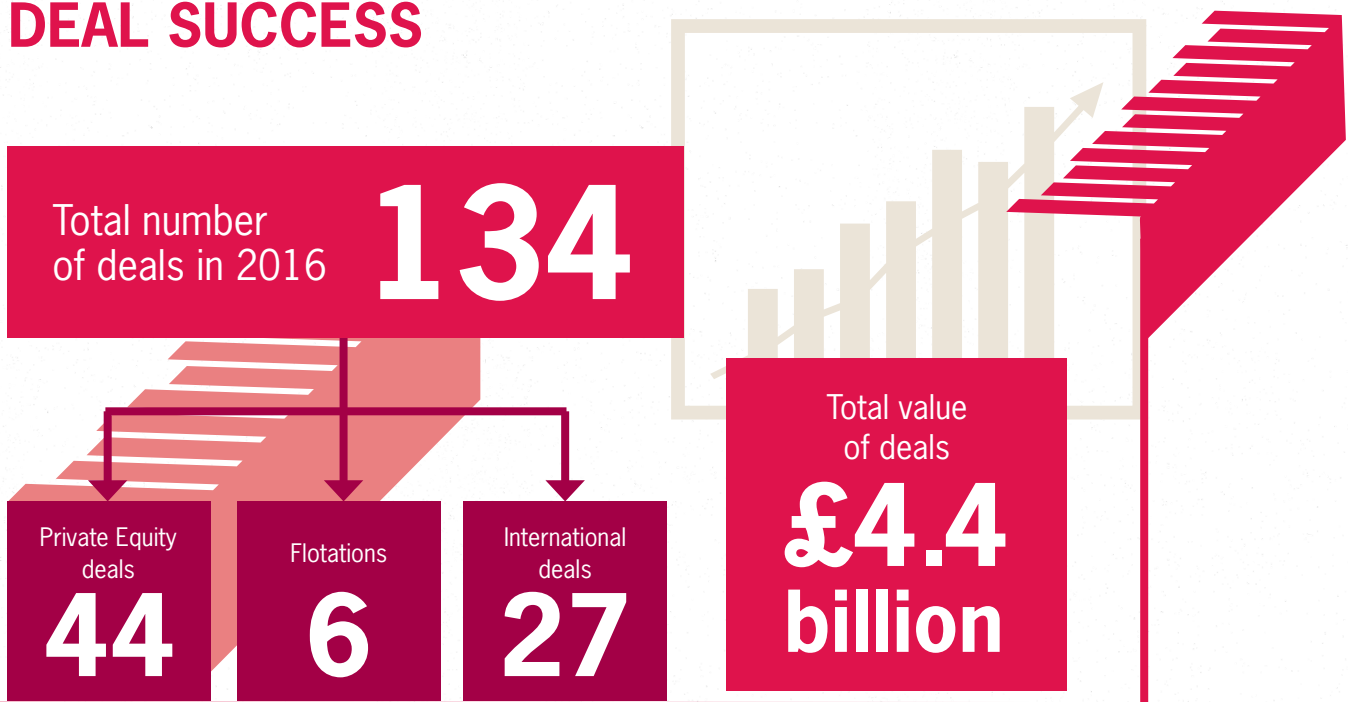
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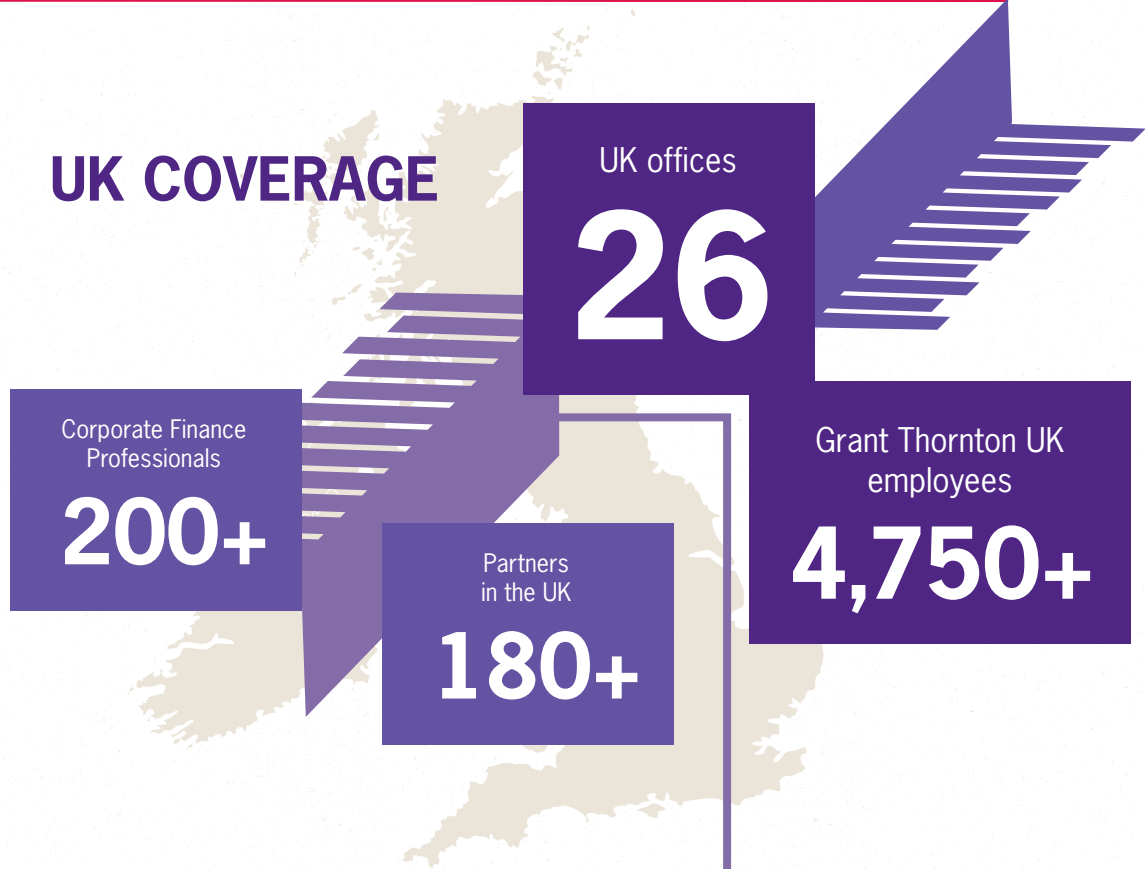


Key highlights

DEAL SUCCESS



UK COVERAGE



INTERNATIONAL REACH

Active in
130
countries
worldwide

Over
140
member
firms

729
offices

Over
42,000
global employees

Global revenue
\$4.8
billion

CORPORATE FINANCE AWARDS AND RANKINGS

Acquisition International
Awards 2016

—
Leading Financial
Adviser of the Year

Dealmakers
Awards 2016

—
Transaction
Services
Team of the
Year

Experian Corpfin
—
Ranked Number
One Corporate
Finance Adviser in
the UK 2012, 2013,
2014 and 2015

What we do

At Grant Thornton UK LLP, we combine award-winning technical expertise with the intuition, insight and confidence gained from our extensive sector experience and a deep understanding of our clients.

Our Corporate Finance offering is truly integrated. We provide access to a full spectrum of transaction specialists and an international network of M&A experts. Whether buying a business, selling a business, advice on mergers, management buy ins/outs, or raising finance to support your business plans, our team will guide you through the process.

Over the last few years we have completed more deals than anybody else in the mid-market and are consistently ranked as one of the top Corporate Finance advisers in the UK. Our transaction size is between £5 million to £250 million in value, making us the preferred supplier for mid-market transactions. We know how to transact. Through empowered client service teams, approachable partners and shorter decision-making chains, we provide a wider point of view and operate in a way that's as fast and agile as our clients. The real benefit for dynamic organisations is more meaningful and forward-looking advice that can help to unlock their potential for growth.

Our areas of expertise include:

Buying a business

For businesses looking to grow through acquisition, our Corporate Finance Advisory team takes a hands-on approach to helping you find the perfect match to achieve your business objectives. The process starts with research and identification of target businesses, both in the UK and internationally, drawing on the knowledge of our own team of in-house researchers and sector specialists.

Once a target has been identified we help our clients through every step of the process. We approach and then negotiate with the target on your behalf, as well as develop the offer, from valuations and funding requirements through to drafting all documentation and negotiating Heads of Agreement. We also undertake due diligence and provide tax planning, before seeing the negotiations through to a smooth completion.

Selling a business

When considering selling your business you want to be sure that you will achieve the highest possible value, with the best terms and that the sale process will be as smooth as possible.

Our team focuses on advising you how to maximise the value of your business on sale. By understanding your objectives and exploring all the options available to you, we can help you decide on the most suitable sales strategy. We will support you through every step of the sale process, including valuing your business, drafting the information memorandum and working with our tax colleagues and sector specialists to strengthen and accentuate your position in the market. We help to identify and evaluate potential purchasers, including exploring overseas opportunities and will lead or support in the negotiations, right through to completion of the transaction. Throughout the sale process we will work with you to ensure as smooth a transaction as possible. Our deal stats show that our national team has consistently exceeded clients' value expectations.

Raising finance

In the current economic climate, raising finance can prove a major challenge for your organisation. As a result, businesses are increasingly looking to innovative ways of raising finance. We are experienced in helping management teams, corporates and private shareholders raise private equity and/or debt finance to support growth, release value or refinance. We can help you explore the numerous options open to you in terms of raising finance, highlighting the advantages and disadvantages of each method for your business, based on our expertise and experience.



Public Company Advisory

Our Public Company Advisory team helps companies float on AIM or the Official List. We are the leading independent Nominated Adviser to AIM companies, we act as financial adviser on transactions involving Premium Listed and Standard Listed companies, and are experts in advising on public company M&A including the Takeover Code. Our team of highly experienced and qualified professionals has depth and breadth of expertise, providing strategic, commercial, financial, regulatory and operational advice to public companies, its board of directors and its shareholders.

We offer integrated solutions on a diverse range of Corporate Finance matters to dynamic publicly listed companies, private companies aspiring to a listing, private equity houses and family offices, as well as shareholders of public and private companies. We tap into specialists from other teams across Advisory and the wider firm to deliver a range of services to public companies and those seeking to go public. We pride ourselves on developing deep business relationships with our clients based on trust, as well as our proactive and pragmatic advice.

Transaction Advisory Services

We have a national team of advisers, who apply their strong experience and capabilities in a very hands-on way. Our business is built on long-term working relationships, because we endeavour to develop a deep understanding of our client's businesses. Our services have been developed to meet the needs of the mid-market sector including vendor, acquisition, commercial, technology and operational due diligence, bid support, vendor assistance (exit readiness, preparation for due diligence and completion mechanism advice) and public company transaction work.

We identify key business issues through our rigorous and tailored risk and business analysis process and report findings to suit your business and funders' needs and your preferred medium. Our team then works closely with you and your other advisers to find practical solutions that resolve these issues with a reporting method designed to suit your business.

Sale and Purchase Agreement Advisory

Increasingly, both buyers and sellers are recognising the key roles the specific price adjustment mechanism and the wider Sale and Purchase Agreement (SPA) fulfil and the need to preserve value and avoid, or mitigate disputes through the negotiation and execution of these areas. We specialise in advising on these aspects of the transaction.

Our team combines completion mechanism adjustment and dispute specialists to help principals and advisers to reach an agreement on the SPA that protects real £ value, whilst reducing the risk of disputes.

We are the only integrated specialist SPA team with a focus on mid-market transactions. Our team brings their insights and experience of well over 1000 deals to support clients on the full range of issues that can arise during the deal process: from negotiating 'locked box' or completion mechanisms and accounting warranties, to finalising completion accounts and earnouts, resolving disputes and undertaking expert determinations.

Operational Deal Services

Operational Deal Services is a specialist deal based team focused on providing practical operational insight and advice to corporate and private equity clients, to help achieve their deal goals. We operate across the whole deal cycle and our team members have experience of working on over 300 transactions. We offer solutions and advice in: integration and 100 day planning, carve out (preparation for sales / separation), operations due diligence, synergy review and planning, and performance improvement.















Business Services

With pressure on margins from the rising National Living Wage and the squeeze on public sector budgets, 2016 has been challenging for many parts of the business services sector. This was particularly evident in healthcare, with problems in domiciliary care and other services contributing to a number of public company profit warnings.

Looking ahead, uncertainty over the Brexit process is adding to concerns in several areas. Recruitment and staffing, for example, could be adversely affected if restrictions on overseas labour prove too tight.

However, against this challenging macro-economic backdrop there are several positive factors, including the government's fresh commitment to investment in infrastructure and affordable housing. The levy on UK firms to pay for apprenticeships should also underpin growth in specialist training. Other specialist areas, particularly technology-enabled services, are also growing and attracting private equity interest.

Private equity is also starting to focus on the reinvention of traditional businesses, as shown by HgCapital's investment in accounting firm Blick Rothenberg, while Gateley became the first UK law firm to float on the stock market. For traditional businesses like professional services and consultancy, there is potential for consolidation and to use technology and innovative, non-traditional funding to create value.

<p>Knights Professional Services Limited</p>  <p>Acquisition of Darbys Solicitors LLP</p> <p>Solicitors</p> <p>£undisclosed February 2016</p> <p>Grant Thornton provided due diligence services</p>	<p>The British Standards Institution</p>  <p>Acquisition of Espion Limited</p> <p>Business support services</p> <p>€10 million February 2016</p> <p>Grant Thornton provided due diligence services</p>	<p>Sovereign Capital Partners LLP</p>  <p>Acquisition of Just Teachers Holdings Limited</p> <p>Recruitment services</p> <p>£13.4 million February 2016</p> <p>Grant Thornton provided due diligence services</p>	<p>Project Obelisk</p> <p>Fundraising</p> <p>Recruitment</p> <p>£undisclosed March 2016</p> <p>Grant Thornton provided corporate finance advisory, tax, debt advisory, due diligence and SPA services</p>	<p>Marlowe plc</p>  <p>Admission to AIM and acquisition of Fire & Security (Group) Limited</p> <p>Support services</p> <p>£13 million March 2016</p> <p>Grant Thornton acted as reporting accountant</p>
<p>Babington Group</p>  <p>Sale of Bridges Ventures backed Babington Group to RJD Partners</p> <p>Training – Employability and Skills</p> <p>£22.25 million April 2016</p> <p>Grant Thornton provided corporate finance advisory, vendor due diligence and SPA advisory services</p>	<p>Phaidon International Limited</p>  <p>Refinancing</p> <p>Recruitment</p> <p>£18 million April 2016</p> <p>Grant Thornton provided due diligence services</p>	<p>Nationwide Accident Repair Services Limited</p>  <p>Refinancing</p> <p>Automotive</p> <p>£undisclosed April 2016</p> <p>Grant Thornton provided due diligence services</p>	<p>Nationwide Accident Repair Services Limited</p>  <p>Acquisition of DWS Automotive Repair Solutions Limited</p> <p>Automotive</p> <p>£undisclosed May 2016</p> <p>Grant Thornton provided due diligence services</p>	<p>Campbell Page (UK) Limited</p>  <p>Sale of Campbell Page (UK) Limited to WISE Ability Limited</p> <p>Training – Employability and Skills</p> <p>£undisclosed June 2016</p> <p>Grant Thornton provided corporate finance advisory services</p>
<p>Globant</p>  <p>Acquisition of 100% of WAE (We Are London Limited and We Are Experience, Inc.)</p> <p>A service design consultancy delivering research, strategy and creative solutions to client</p> <p>£undisclosed May 2016</p> <p>Grant Thornton provided due diligence and SPA advisory services</p>	<p>The Gap Partnership</p>  <p>Refinancing</p> <p>Corporate training</p> <p>£undisclosed June 2016</p> <p>Grant Thornton provided due diligence services</p>	<p>Vespa Capital LLP</p>  <p>Investment in Chase Search & Selection Limited</p> <p>Recruitment and resourcing</p> <p>£undisclosed July 2016</p> <p>Grant Thornton provided due diligence services</p>	<p>Trust Tech Inc.</p>  <p>Acquisition of MTrec Limited</p> <p>Recruitment</p> <p>£17 million August 2016</p> <p>Grant Thornton provided due diligence and translation services</p>	<p>Prospects Education Services Limited</p>  <p>Acquisition of Optimus Professional Publishing Limited</p> <p>Education</p> <p>£undisclosed October 2016</p> <p>Grant Thornton provided due diligence services</p>

 International deals
  Private Equity deals
  Public Listed Company deals

Contact us

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Case Study | Babington Group

Our Corporate Finance team advises on the sale of Babington Group to RJD Partners

Background to the deal

Babington Group, established in 1974, is a leading, national provider of end-to-end professional skills and employability services. The Group delivers the highest quality apprenticeships and traineeships, and is currently working with over 1,000 employers and 4,400 learners across a range of courses and is notably a market leader in Accountancy and Financial Services.

Following a MBI with Bridges Ventures in 2009, the Group has impressively grown organically and via strategic acquisitions to deliver high learner success rates and achievement of a 'Good' Ofsted rating with 'Outstanding Features'.

The acquisition represents a secondary private equity buy-out by RJD Partners who will take the business through its next stage of growth. RJD Partners are a mid-market private equity fund and Babington is the second investment of RJD's third equity fund.

Solution

As part of the transaction, Grant Thornton provided lead advisory services as well as vendor due diligence and SPA advisory services for the transaction.

Grant Thornton built a strong relationship with Bridges Ventures and

the management team throughout the transaction which led to significant interest in the business and considerable value realisation for the shareholders.

How we made a difference

Grant Thornton ran a streamlined process which ultimately culminated in a highly competitive process resulting in an excellent result for the shareholders, including a fantastic return for Bridges Ventures, and an exciting growth platform for management, who will be staying with the business to continue their ambitious growth and expansion plans.

Keely Woodley, who led the deal for Grant Thornton UK LLP commented: "We are privileged to have worked with Bridges and such a fantastic management team and are delighted that whilst achieving an excellent return for Bridges we have secured a bright future for the management team, at a particularly exciting time in the industry. The role that apprentices in developing workforces has never been more important. Babington's focus on apprenticeships and training is key to the government's social agenda and helps create communities in which people and businesses can flourish contributing towards a vibrant economy."



We are so grateful for the great result that Grant Thornton delivered, especially the number of offers we received for the business on the back of driving a competitive process during such an exciting time in the industry. I was particularly impressed by the commitment, tenacity and aptitude from the team throughout the transaction, which produced a fantastic result for all shareholders. I would like to thank the team for the endless support they gave us and we are really grateful for everything they did to find us a great partner for the business going forward and I would not hesitate to recommend them."

Carole Carson
Chief Executive
Babington Group



Renew Holdings plc	
Acquisition of Giffen Holdings Limited by Renew Holdings plc	
Transportation	
£7 million	November 2016
Grant Thornton provided corporate finance advisory services	

Abels Moving Services Limited	
Sale of Abels Moving Services to Momentous Relocation Limited	
Moving services and storage solutions	
£undisclosed	October 2016
Grant Thornton provided corporate finance advisory and tax advisory services	

3BM Limited	
Acquisition of Fusion Project Management Limited	
Professional consultancy	
£undisclosed	November 2016
Grant Thornton provided due diligence services	

Growth Capital Partners LLP	
Acquisition of Shorterm Group Limited	
UK based engineering recruitment business	
£undisclosed	November 2016
Grant Thornton provided SPA advisory, due diligence services and exit advice	

Lonsdale Capital Partners	
Majority investment in P2 Consulting Limited	
Management consultancy	
£undisclosed	December 2016
Grant Thornton provided due diligence services	

Acoura Holdings Limited	
Sale of Acoura to Lloyd's Register	
Risk and compliance services across the food supply chain	
£undisclosed	December 2016
Grant Thornton provided corporate finance advisory services	











Consumer Markets

Whilst household consumption remained buoyant throughout 2016, as we enter 2017, there are early indications that consumer spending is waning: an inevitable outcome of the devalued pound and UK inflation hitting a two-year high, putting a squeeze on household incomes.

All of this is against a backdrop of uncertainty and whilst exit negotiations for Brexit are yet to commence, some likely outcomes are already apparent. The currency shift has already led to finished goods, raw materials and packaging imported from abroad becoming more expensive. There has also been a shift in EU workers, in advance of any potential future restriction of movement, and this will exacerbate the existing skills shortage in the sector, and in turn lead to increased employment costs. The further rise in the National Living Wage and business rates revaluation will also kick in later in the year.

However, from adversity comes opportunity. British consumer products are highly sought after overseas, particularly in emerging markets, and the weaker pound means that UK exports have become increasingly competitive. Whilst not all products are suitable for export, there is an opportunity for many companies to increase export volumes. Alongside this, there is also a strong case to seek to import less and find alternative home-grown ingredients and produced goods.

There is no doubt that the uncertainty and pressures create a challenging consumer market. Companies will need to innovate to navigate the stormy waters and we could well see renewed polarisation into premium and value segments, with the middle being squeezed. Polarisation and supply chain pressure will cause some businesses to struggle, presenting opportunities for consolidation. As seen in 2016, interest in acquiring UK companies will continue from Asian buyers, and overall, M&A appetite from overseas acquirers will remain strong, given that UK assets are now significantly cheaper for overseas buyers due to sterling's depreciation.

<p> Garrets International Limited</p> <p>Sale of Garrets International to Wrist Ship Supply</p> <p>Marine catering services</p> <p>£undisclosed January 2016</p> <p>Grant Thornton provided vendor assistance services</p>	<p> Boparan Restaurants Holdings Limited</p> <p>Acquisition of Indian Restaurants Limited</p> <p>Indian restaurants operator</p> <p>£undisclosed January 2016</p> <p>Grant Thornton provided due diligence services</p>	<p> GVC Holdings plc</p> <p>Acquisition of bwin.party</p> <p>Online gaming and sports betting</p> <p>£1.1billion February 2016</p> <p>Grant Thornton acted as reporting accountant</p>	<p> Kingsley Capital Partners</p> <p>Acquisition of Janan Meat Limited</p> <p>Halal lamb and mutton products</p> <p>£undisclosed February 2016</p> <p>Grant Thornton provided due diligence services</p>	<p> The Brighton Pier Group plc</p> <p>Acquisition of Brighton Pier and readmission to AIM</p> <p>Leisure venue operator</p> <p>£18 million April 2016</p> <p>Grant Thornton provided due diligence and reporting accountant services</p>
<p> Innovative Bites Limited</p> <p>Acquisition of Bonds Confectionery Limited</p> <p>Confectionery wholesaler</p> <p>£undisclosed April 2016</p> <p>Grant Thornton provided corporate finance advisory, due diligence and SPA advisory services</p>	<p> Woodforde's Limited</p> <p>Sale to Citra Partners</p> <p>Brewery</p> <p>£undisclosed April 2016</p> <p>Grant Thornton provided corporate finance advisory services</p>	<p> Crown Chicken Limited</p> <p>Sale to Cranswick plc</p> <p>Chicken and mill feed producer</p> <p>£40 million April 2016</p> <p>Grant Thornton provided corporate finance advisory and tax services</p>	<p> Hi-Life Group Limited</p> <p>Sale of Hi-Life Diners Club to The Dining Club Group</p> <p>Restaurant dining club</p> <p>£undisclosed June 2016</p> <p>Grant Thornton provided corporate finance advisory services</p>	<p> The BenRiach Distillery Company Limited</p> <p>Sale to Brown-Forman Corporation</p> <p>Malt whisky distiller</p> <p>£285 million June 2016</p> <p>Grant Thornton provided SPA advisory and tax advisory services</p>

 International deals  Private Equity deals  Public Listed Company deals

Contact us

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Case Study | Crown Chicken Limited

Our Corporate Finance team advises on the sale of Crown Chicken Limited to Cranswick plc

Background to the deal

Crown Chicken is a leading integrated poultry producer based in East Anglia. The company breeds, rears and processes fresh chicken for supply into a broad UK customer base. Crown also has a large mill operation which satisfies all of the business' own feed requirements as well as supplying feed to other livestock producers in East Anglia.

Tracing its routes back to the 1950's, Crown has grown to become a major supplier to the UK poultry industry. The company currently produces 550,000 chickens each week, generating revenue of more than £80 million and adjusted EBITDA of £6.6 million.

The shareholders approached Grant Thornton to sell the Company on their behalf, with Cranswick plc identified as the best solution for all parties. Cranswick plc, a FTSE 250 listed business, are one of the UK's largest food producers, traditionally specialising in the production of pork.

Solution

The Grant Thornton team ran a full sale process, generating a high level of interest in the well-respected poultry supplier.

After speaking to a number of parties, Cranswick plc was introduced and selected as the preferred acquirer for the business, providing the shareholders with the desired outcome.

The transaction overcame a number of complex issues, and despite a number of false starts, ultimately an efficient process was executed in early 2016.

How we made a difference

Grant Thornton provided corporate finance advisory and tax advisory services, running a streamlined and joined up process, supporting the shareholders through a challenging due diligence process to a successful completion.





















Darren Bear, Corporate Finance Advisory Partner, who led the transaction, commented: "This deal demonstrates our continued ability to deliver successful transactions for owner managed businesses selling to large corporates. Crown represents an excellent fit for Cranswick and this transaction is the culmination of a long working relationship between the shareholders and Grant Thornton. We are pleased that this relationship has resulted in a successful outcome for all parties."



Darren and his team did an excellent job, leading us through what turned out to be a complex process. They really went the extra mile for us and their transactional experience and expertise was key in delivering a great result for the shareholders. I would certainly recommend them as advisors."

David Thacker
Managing Director
Crown Chicken Limited

Consumer Markets

<p> Boparan Restaurants Holdings Limited</p> <p></p> <p>Acquisition of Giraffe Concepts Limited from Tesco Holdings Limited</p> <p>Casual dining</p> <p>£undisclosed June 2016</p> <p>Grant Thornton provided due diligence services</p>	<p>Jas Bowman & Sons Limited</p> <p></p> <p>Sale of its Whitley Bridge flour heat treatment plant</p> <p>Manufacturer of flour based ingredients and cereal products</p> <p>£undisclosed June 2016</p> <p>Grant Thornton provided corporate finance advisory services</p>	<p> House of Vantage Limited (1/a Bakeaway)</p> <p></p> <p>Sale to Osiris SAS</p> <p>Producer of chilled pastry products</p> <p>£undisclosed July 2016</p> <p>Grant Thornton provided corporate finance advisory services</p>	<p>  Ocee International Limited</p> <p></p> <p>Acquisition of Four Design A/S supported by Business Growth Fund</p> <p>Furniture manufacturer</p> <p>£undisclosed July 2016</p> <p>Grant Thornton provided corporate finance advisory and due diligence services</p>	<p>Joe Delucci's</p> <p></p> <p>Refinancing</p> <p>Italian gelato</p> <p>£undisclosed August 2016</p> <p>Grant Thornton provided due diligence services</p>
<p>Faccenda Foods</p> <p></p> <p>Acquisition of 50% of Dartmouth Foods Limited</p> <p>Cooked poultry joint venture</p> <p>£undisclosed August 2016</p> <p>Grant Thornton provided due diligence services</p>	<p> GVC Holding plc</p> <p></p> <p>Transfer of listing from the Standard segment to Premium segment of the Official List</p> <p>Online gaming and sports betting</p> <p>£1.5 billion August 2016</p> <p>Grant Thornton acted as reporting accountant</p>	<p>Dunkleys Limited</p> <p></p> <p>Sale to Edward Billington and Son Limited</p> <p>Pie and dessert manufacturer</p> <p>£undisclosed September 2016</p> <p>Grant Thornton provided corporate finance advisory services</p>	<p> Prestige and Homeseeker Park & Leisure Homes</p> <p></p> <p>Growth capital</p> <p>Park home manufacturer</p> <p>£undisclosed September 2016</p> <p>Grant Thornton provided corporate finance advisory and tax advisory services</p>	<p>Wasabi Sushi Bento Limited</p> <p></p> <p>Fundraising</p> <p>Casual dining</p> <p>£20 million RCF £4 million asset finance facility September 2016</p> <p>Grant Thornton provided debt advisory services</p>
<p>Ian Macleod Distillers Limited</p> <p></p> <p>Acquisition of Spencerfield Spirit Company Limited</p> <p>Owner and distiller of premium spirits</p> <p>£undisclosed September 2016</p> <p>Grant Thornton provided due diligence services</p>	<p>Pinnacle Foods Limited</p> <p></p> <p>Sale to GPS Food Group</p> <p>Meat processing</p> <p>£undisclosed October 2016</p> <p>Grant Thornton provided corporate finance advisory services</p>	<p> PSL Purchasing Limited</p> <p></p> <p>Sale of PSL Purchasing Limited to Sodexo S.A</p> <p>Food procurement services</p> <p>£undisclosed October 2016</p> <p>Grant Thornton provided vendor due diligence services</p>		

Case Study | **Woodforde's Limited**

Our Corporate Finance team advises on the sale of Woodforde's Limited to Citra Partners

Background to the deal

Woodforde's is the largest independent brewer of cask ales in Norfolk, producing 20,000 barrels of premium beer each year served mainly across Norfolk and East Anglia.

The company is well established in the community with a reputation for quality beer amongst Norfolk's real ale connoisseurs, and is one of only a handful of brewers in the UK to have been awarded two 'Champion Beer of Britain' accolades.

Owned by real ale enthusiasts for the last 17 years, the business has now grown to become one of Norfolk's most recognisable brands.

Following a decision to retire from the business, the shareholders approached Grant Thornton to advise them on selling the company.

Solution

Citra Partners were identified as the best fit to help Woodforde's evolve and grow whilst protecting the brand values built up over many years.

The deal allows the two majority shareholders to retire from the business and sees Rupert Farquharson remain as Managing Director.

The incoming team plan to invest heavily in the business to drive further growth, developing new product ranges and expanding the company's reach.

How we made a difference

The Grant Thornton team ran a full sale process, generating interest in the company. Following conversations with a number of interested parties, a deal was agreed with the Citra team which provided the best all round solution.

Grant Thornton provided corporate finance advisory services to the shareholders of Woodforde's. The team supported them through the various financial and commercial aspects of the deal.

Darren Bear, Corporate Finance Advisory Partner, commented: "This transaction is a great result for all involved. It was good to work with one of Norfolk's most recognised brands and ensure the business found the right home to maintain its heritage whilst meeting the shareholders' objectives."



Grant Thornton did an excellent job and were highly supportive throughout the process. We have managed to protect the values of the business going forward and are excited to enter into a new phase. Grant Thornton played a big part in helping us achieve our objectives. I would certainly recommend them."

Rupert Farquharson
Managing Director
Woodforde's Limited

Healthcare


















Evolving macro trends will underpin M&A activity in social care, however, whilst it's true that there is uncertainty surrounding Brexit's impact on the cost and availability of staff, already significantly impacted by the National Living Wage, it remains a growth sector. There can be no denying that some care providers reliant on government funding are struggling and some are looking to exit the market, however, many commentators are suggesting we are approaching an inflexion point as bed shortages reduce commissioner buying power.

The outlook for specialist care and private pay providers remains largely positive with both markets attracting robust interest from both private equity and foreign investors alike. Our 2017 specialist care pipeline is particularly positive with higher fee rates and increased demand making it an attractive area of investment.

Such activity is by no means limited to the specialist and private-pay providers. The pharma services market is also experiencing growth. Big pharmaceutical companies' efforts to make drug development more efficient by outsourcing pharmaceutical services is creating opportunities for smaller specialist operators.

The medical devices market is another success story, attracting a great deal of interest from foreign investors as the sale of both Medisafe and Daniels Healthcare, on which we advised, will attest.

In summary, whilst there are clearly parts of the healthcare sector that will undergo much turbulence and change in the coming year, it remains a growth sector. Operators that are entrepreneurial and strive for innovation will undoubtedly attract the attention of investors who remain very active in the sector and see healthcare as a defensive sector in turbulent times.

<p></p> <p>Dycem Limited</p>  <p>Sale to SEA Equity</p> <p>Contamination control and non slip blended polymer products</p> <p>£undisclosed January 2016</p> <p>Grant Thornton provided corporate finance advisory services</p>	<p></p> <p>The Care Division Limited</p>  <p>Sale to Alina Homecare</p> <p>Domiciliary learning disability care business</p> <p>£undisclosed February 2016</p> <p>Grant Thornton provided corporate finance advisory services</p>	<p>Frontier Medical Group Limited</p>  <p>Refinancing of Financier Medical Group</p> <p>Healthcare – Medical Services</p> <p>£undisclosed March 2016</p> <p>Grant Thornton provided due diligence services</p>	<p></p> <p>Burgess Diagnostics Limited</p>  <p>Sale of Burgess Diagnostics to Solingen Private Equity</p> <p>Mobile diagnostics imaging services provider to veterinary sector</p> <p>£undisclosed March 2016</p> <p>Grant Thornton provided corporate finance advisory services</p>	<p></p> <p>Oncimmune Holdings plc</p>  <p>AIM flotation</p> <p>Leading early cancer detection company</p> <p>£66 million market cap May 2016</p> <p>Grant Thornton acted as reporting accountant</p>
<p></p> <p>Daniels Healthcare Group Limited</p>  <p>Sale of Daniels Healthcare Group Limited to MAUSER Group</p> <p>Sharps containers</p> <p>£undisclosed July 2016</p> <p>Grant Thornton provided corporate finance advisory services</p>	<p></p> <p>Medisafe UK Limited</p>  <p>Sale of Medisafe UK Limited to STERIS plc</p> <p>Manufacturer of surgical reprocessing equipment</p> <p>£27 million July 2016</p> <p>Grant Thornton provided corporate finance advisory services</p>	<p></p> <p>Business Growth Fund/ Pharmacy2U Limited</p>  <p>Investment in Pharmacy2U Limited merger with chemistdirect.co.uk</p> <p>Pharmaceuticals</p> <p>£10 million July 2016</p> <p>Grant Thornton provided due diligence services</p>	<p></p> <p>Guangzhou Wondfo Biotech Co. LTD</p>  <p>Acquisition of minority equity stake in Atlas Genetics Limited</p> <p>Diagnostic instruments</p> <p>US\$18 million December 2016</p> <p>Grant Thornton provided due diligence services</p>	

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Case Study | Daniels Healthcare Group Limited

Our Corporate Finance team advises on the sale of Daniels Healthcare Group Limited to MAUSER Group

Background to the deal

Daniels Healthcare Group was founded in 1978 as a manufacturer of moulded polypropylene waste containers. Since 1992 it has been under the ownership and management of Howard Simler and Maurice Hatton who have grown Daniels to become the pre-eminent supplier of sharps containers to the UK healthcare sector under its SHARPSGUARD range.

Based in Kidlington, Oxfordshire, Daniels now employs over 80 people, manufacturing and marketing a wide range of sharps containers supplying the majority of NHS hospital trusts in the UK along with many other customers in the healthcare sector.

Having run the business for the last 24 years the owners were looking to retire and hand the business over to new owners able to exploit the many opportunities to grow the business.

Grant Thornton were already well-known to majority shareholder Howard Simler as a result of previous work done for him and were his first choice of partner to help find a suitable buyer for the business.

Solution

The Grant Thornton team ran a competitive process to a well-researched shortlist of both UK and overseas based trade buyers.

As a result of that process MAUSER Group were selected as the preferred buyer for the business. MAUSER is a world leading company in rigid industrial packaging and Daniels product range fits naturally into their MAUSER WIVA Medical Waste Container System. Indeed MAUSER were already well known to Daniels as a supplier of a range of large containers complementing Daniels own manufactured range.

How we made a difference

Grant Thornton provided corporate finance advisory services, utilising its strong international network to approach potential buyers, enabling a seamless and joined-up process for all parties.

Wendy Hart, Partner, who led the deal, commented: "I was delighted to be able to help Howard and Maurice achieve their twin objectives of retirement while securing a strong future for the business under new owners able to exploit its significant growth opportunities."



The Grant Thornton Corporate Finance team, led by Wendy Hart and Andrew Tacon, clearly understood the value drivers of Daniels Healthcare and ensured the business was strategically positioned for a process and worked extremely hard to drive the process to a successful conclusion, meeting and exceeding shareholders' expectations."











Howard Simler
Managing Director
Daniels Healthcare Group Limited

Technology, Media and Telecommunications

Technology, Media and Telecommunications continues to be one of the hottest sectors for M&A activity. Software – whether subscription or traditional licence models – continues to be the bedrock of deal activity, with strong appetite from private equity on both sides of the Atlantic and international trade consolidators benefiting from the current weakness in sterling. Despite valuations reaching heady levels, we expect activity to remain high in 2017 with a clear premium for scale and quality.

The fintech revolution continues apace with the UK, and London in particular, continuing to stake a major claim to global leadership in what is proving to be the biggest disruption to the financial services industry since Big Bang in 1986. This continues to drive M&A activity as financial incumbents look to acquire innovative new entrants and technology/software majors broaden their offering in financial services. As the clouds slowly lift around the Brexit implications, we can expect fintech to be a key battleground for M&A.

We are also seeing a step up in activity levels in the IT Services and BPO arena, as scale and focus become ever more important, whilst the ever accelerating move to the cloud continues to drive the worlds of telecoms and IT closer together through M&A. The drive into digital is transforming the delivery of services and continues to underpin deal activity in the media sector. The question of how to turn data into value remains a key challenge for many industries, and that is driving transaction activity as the inherent value in proprietary data assets and the ability to monetise this through real time insights and analytics gathers momentum.

<p>Environmental Technologies Fund</p>  <p>Telensa</p> <p>Growth financing of Telensa</p> <p>Smart cities solutions provider</p> <p>£undisclosed January 2016</p> <p>Grant Thornton provided due diligence services</p>	<p>Rightster Group plc</p>  <p>RIGHTSTER</p> <p>AIM fundraise</p> <p>Digital media</p> <p>£10 million January 2016</p> <p>Grant Thornton provided due diligence services</p>	<p>Silent Herdsman Holdings Limited</p>  <p>Silent Herdsman</p> <p>Sale of Afimilk Agricultural Cooperative</p> <p>Predictive analytics software for dairy and beef farmers</p> <p>£undisclosed February 2016</p> <p>Grant Thornton provided corporate finance advisory services</p>	<p>Judges Scientific plc</p>  <p>Judges Scientific plc</p> <p>Acquisition of CoolLED Limited</p> <p>LED technology</p> <p>£undisclosed February 2016</p> <p>Grant Thornton provided due diligence services</p>	<p>The Press Association Limited</p>  <p>PA</p> <p>Investment in Blackball Media</p> <p>Content marketing</p> <p>£10 million March 2016</p> <p>Grant Thornton provided corporate finance advisory services</p>
<p>GCI Telecom Group Limited</p>  <p>GCI Fusion</p> <p>Acquisition of Fusion Media Networks Limited</p> <p>Networks services provider</p> <p>£undisclosed March 2016</p> <p>Grant Thornton provided due diligence services</p>	<p>Cerillion plc</p>  <p>cerillion</p> <p>Admission to AIM and loan finance raised</p> <p>Billing, charging and CRM software solutions provider</p> <p>£15 million March 2016</p> <p>Grant Thornton acted as reporting accountant</p>	<p>Guestline Limited</p>  <p>Guestline</p> <p>Majority investment by The Riverside Company</p> <p>Hotel technology solutions provider</p> <p>£undisclosed March 2016</p> <p>Grant Thornton provided due diligence services</p>	<p>NVM Private Equity/ myparceldelivery.com</p>  <p>nvm</p> <p>Investment in myparceldelivery.com Limited</p> <p>Delivery management software</p> <p>£undisclosed April 2016</p> <p>Grant Thornton provided due diligence services</p>	<p>Derivation Software Limited</p>  <p>derivation software</p> <p>Sale to Linedata Services</p> <p>Risk analytics and accounting solutions</p> <p>£undisclosed April 2016</p> <p>Grant Thornton provided corporate finance advisory services</p>

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Case Study | Sabio Limited

Our Corporate Finance team advises the shareholders of Sabio Limited on its management buyout supported by Lyceum Capital

Background to the deal

Based in London with operations in Glasgow and Singapore, Sabio is a market-leading service provider of contact centre technology solutions, delivering transformational technology and managed services to some of the UK's largest call centres such as the AA, together with major global organisations including DHL.

The business was founded in 1998 and now supports customers in over 51 countries around the world. It has successfully grown revenues in excess of £40 million by focusing on the delivery of exceptional customer service and partnering with leading technology vendors including as Avaya, Nuance and Verint.

With a UK market share of 7.1%, Sabio is the largest independent provider of its services and has delivered average annual growth of 15% for each of the past three years.

Solution

The buyout has secured a majority exit for the four founding shareholders who will remain involved in the business through the next phase of growth, which will include a number of selected acquisitions supported by additional

committed capital from Lyceum as part of their buy-and-build strategy.

The £50 million transaction will see Lyceum take a majority shareholding in the business, with the COO, Andy Roberts, becoming CEO.

Lyceum is a leading UK mid-market private equity firm that typically invests between £5 million and £50 million of equity in growth businesses. Since inception in 1999, it has raised over £800 million and acquired more than 100 companies including Adapt, Clearswift and Isotrak in the technology space.

How we made a difference






Grant Thornton acted as Lead Advisors to the shareholders on the sale of the business as well as providing SPA advisory services and shareholder tax advice.

Andy Morgan, TMT M&A Partner who led the deal commented: "The deal represents a great outcome for all parties and demonstrates how private equity can play a key role in transitioning founder led businesses to their next phase. It provides the business with the platform to really capitalise on the significant market opportunities open to it in the contact centre solutions market globally."






























My fellow founders and I had committed our last 18 years to Sabio and the transaction had to provide a strong platform for the future of the business and its people. Furthermore none of us had previously been involved in such a transaction. It was therefore essential that we had top quality advisers who would take the time to understand all of our objectives and guide us through to completing the right transaction. Grant Thornton supported us throughout the process, negotiating extra value in the deal and doing what was required to complete the deal within a tight timeframe through drawing upon a range of specialists. It was a pleasure to work with the Grant Thornton team through to the completion of a transaction that achieved all of our objectives."

Seb Henkes
Founder and former Managing Director
Sabio Limited

BBC Worldwide Limited	Midwich Group plc	Pinnacle Technology Group plc	Amadeus Capital Partners Limited	Sabio Limited
				
Investment in Original Talent Limited	AIM flotation	Acquisition of Adept4 Limited, ITaaS Provider	Investment in Relayware Limited	Management buyout of founder shareholders
Talent agency and TV production	Trade-only distributor of audio visual and document solutions equipment	Technology	Computer hardware and software	Contact centre technology solutions
£undisclosed April 2016	£165.3 million market cap May 2016	£7 million May 2016	\$11 million May 2016	£50 million June 2016
Grant Thornton provided due diligence services	Grant Thornton acted as reporting accountant	Grant Thornton provided due diligence services	Grant Thornton provided due diligence services	Grant Thornton provided corporate finance advisory, tax and SPA advisory services

Technology, Media and Telecommunications

<p> EQUINITI Group plc</p> <p></p> <p>Acquisition of Toplevel Holdings Limited</p> <p>Digital case management sector</p> <p>£undisclosed July 2016</p> <p>Grant Thornton provided due diligence services</p>	<p> Porta Communications plc</p> <p></p> <p>Adoption</p> <p>International marketing and communications group</p> <p>July 2016</p> <p>Grant Thornton acted as nominated adviser</p>	<p> RJD Partners Limited</p> <p></p> <p>Sale to MBO team backed by WestBridge Capital</p> <p>Network and Wi-Fi services</p> <p>£10.5 million July 2016</p> <p>Grant Thornton provided corporate finance advisory and tax services</p>	<p> Modrus Limited</p> <p></p> <p>Sale of Modrus Limited to Nasstar plc</p> <p>IT managed services</p> <p>£13 million August 2016</p> <p>Grant Thornton provided due diligence services</p>	<p> Tenzing Private Equity</p> <p></p> <p>Acquisition of Bond Payroll Services Limited, Bond HR and Payroll Software Limited and Eurowage Limited</p> <p>Software and payroll services provider</p> <p>£30 million August 2016</p> <p>Grant Thornton provided due diligence services</p>
<p>  BlueGem Capital Partners LLP</p> <p></p> <p>Acquisition of Wool and the Gang Limited by DMC</p> <p>E-commerce crafts retailer</p> <p>£undisclosed August 2016</p> <p>Grant Thornton provided due diligence services</p>	<p> LoopUp Group plc</p> <p></p> <p>AIM IPO and Placing</p> <p>SaaS conferencing solution for remote enterprise meetings</p> <p>£40.8 million market cap August 2016</p> <p>Grant Thornton acted as reporting accountant</p>	<p> Attenda Limited</p> <p></p> <p>Sale of Attenda Limited to Ensono</p> <p>Critical applications and hybrid IT managed services</p> <p>£undisclosed September 2016</p> <p>Grant Thornton provided vendor assistance services</p>	<p> Jaywing plc</p> <p></p> <p>Acquisition of Bloom Media (UK) Limited</p> <p>Digital marketing</p> <p>£8 million September 2016</p> <p>Grant Thornton provided due diligence services</p>	<p>  Rigby Private Equity/Nuvias</p> <p></p> <p>Acquisition of a majority stake in SIPHON Networks Limited</p> <p>Unified communications</p> <p>£undisclosed October 2016</p> <p>Grant Thornton provided due diligence services</p>
<p>The British Standards Institution</p> <p></p> <p>Acquisition of Info-Assure Limited</p> <p>Cyber-security consultancy</p> <p>£undisclosed October 2016</p> <p>Grant Thornton provided due diligence services</p>	<p> Flixmedia Limited</p> <p></p> <p>Sale of Flixmedia Limited to Advantage Smollan</p> <p>Digital marketing content creation and syndication</p> <p>£undisclosed November 2016</p> <p>Grant Thornton provided SPA, tax, pensions and valuations advisory services</p>	<p> PEI Group Topco Limited</p> <p></p> <p>Refinancing</p> <p>Media and publishing</p> <p>£undisclosed December 2016</p> <p>Grant Thornton provided due diligence services</p>		

Case Study | ISG Technology Limited

Our Corporate Finance team advises RJD Partners on the sale of ISG Technology Limited to WestBridge Capital LLP

Background to the deal

ISG is a leading independent provider of wired and wireless networking infrastructure solutions to blue-chip organisations throughout the UK, specialising in rapid and mass network deployment and recognised as an expert in large scale, mission critical wi-fi installations.

The company's customers include some of the UK's largest retail, grocery and quick service restaurant operations in the UK, many with over 1,000 sites.

Led by CEO Mike Morrison since 2007, the management team, supported by private equity backers RJD Partners, have successfully shaped the business for strong growth by establishing a strong platform and market position. In its last financial year, ISG generated turnover of £18.5 million and it now employs 173 people across the UK and at its technical support centre in Sofia, Bulgaria.

RJD Partners was looking to realise its investment and engaged Grant Thornton to find a buyer for the business on the basis of their sector knowledge, track record and understanding of the business.

Solution

Grant Thornton ran a tight competitive sale process which saw WestBridge Capital emerge as the preferred party. Grant Thornton project managed the process into exclusivity, led negotiations and drove the deal through to completion.

WestBridge Capital's strong, relevant technology sector experience and their investment leaves the business well-positioned to achieve its ambitious growth plans.

The Grant Thornton team were instrumental in structuring a deal which maximised value for shareholders and facilitated a secondary buy-out.

How we made a difference

Grant Thornton's sector expertise was key to best positioning the business with buyers and articulating the opportunity, and its network of contacts ensured that the right buyers were brought to the table to maximise value.

Anthony Platt, Corporate Finance Director, commented, "We are delighted to have delivered a deal which provides an excellent outcome for all shareholders and leaves the business with a strong partner, in the form of WestBridge Capital, to support them through the next stage of growth."



Grant Thornton showed incredible determination, tenacity and aptitude to deliver an excellent result for all the shareholders. The team were a delight to work with and gave sound, pragmatic advice throughout the process."

Richard Caston
Managing Director
RJD Partners

Industrials

The UK's decision to leave the European Union was, understandably, a dominant concern during 2016. Encouragingly, it does not appear to have adversely affected M&A momentum in the industrials sector and Grant Thornton has been involved in a number of strong transactions since the Brexit vote, including the cross-border sale of GT Group, a world class engineering company to the automotive, oil, gas and petrochemical sectors, to Knorr-Bremse AG.

While Brexit has created uncertainty, the sharp devaluation in sterling since the vote is positive for export-oriented industries. Indeed, sterling's weakness has been credited as one factor in Tata Steel's commitment to keeping the Port Talbot steelworks open. In addition, from an M&A perspective, the decline in the pound's value makes UK businesses more attractive to overseas buyers. The sector's outlook has also been boosted by the government's announcement of a new Industrial Strategy, which will include investment to encourage innovation and skills development. Improving the sector's growth prospects should in turn increase its attractiveness for M&A.

As 2017 gets underway considerable uncertainty remains regarding the outcome of the Brexit negotiations, but we remain optimistic and committed to supporting our clients to help them achieve their ambitions in a challenging environment.

<p>Project Eagle</p> <p>Acquisition of UK coal mine</p> <p>Coal mining</p> <p>£undisclosed January 2016</p> <p>Grant Thornton provided corporate finance advisory, debt advisory, due diligence and SPA services</p>	<p>Akcros Holdings Limited</p> <p>AKCROS VALTRIS SPECIALTY CHEMICALS</p> <p>Sale to private equity backed Valtris Specialty Chemicals</p> <p>Manufacturer of speciality chemicals used in production of polymers</p> <p>£undisclosed April 2016</p> <p>Grant Thornton provided corporate finance advisory, tax and SPA advisory services</p>	<p>Kennedy Ventures plc</p> <p>KENNEDY VENTURES</p> <p>Adoption</p> <p>Tantalum mining investments</p> <p>April 2016</p> <p>Grant Thornton acted as nominated adviser</p>	<p>BFF Nonwovens Limited</p> <p>BFF bnf Business Growth Fund</p> <p>Growth capital investment in BFF Nonwovens Limited by BGF Investments LLP</p> <p>Bespoke nonwoven fabrics</p> <p>£undisclosed April 2016</p> <p>Grant Thornton provided due diligence services</p>	<p>Caffyns plc</p> <p>CAFFYNS PLC</p> <p>Sale of the Company's Land Rover Dealership</p> <p>Automotive sector</p> <p>£5.7 million April 2016</p> <p>Grant Thornton acted as reporting accountant</p>
<p>Goldplat plc</p> <p>GOLDPLAT plc</p> <p>Adoption</p> <p>Gold recovery services, mining and development</p> <p>£undisclosed May 2016</p> <p>Grant Thornton acted as nominated adviser</p>	<p>Futamura Chemicals Co.</p> <p>FUTAMURA innovia</p> <p>Acquisition of the cellophane division of Innovia Group by Futamura Chemicals Co.</p> <p>Plastic and cellulose films</p> <p>£undisclosed June 2016</p> <p>Grant Thornton provided corporate finance advisory services</p>	<p>GT Group Limited</p> <p>GT Group TOMORROW'S ENGINEERING TODAY</p> <p>Sale to Knorr-Bremse AG</p> <p>Automotive engineering</p> <p>£undisclosed June 2016</p> <p>Grant Thornton provided corporate finance advisory services</p>	<p>John Henry Group</p> <p>John Henry Group</p> <p>Investment by Growth Capital Partners</p> <p>Telecommunications Infrastructure services</p> <p>£23.3 million June 2016</p> <p>Grant Thornton provided corporate finance advisory services</p>	<p>Aviva Investors</p> <p>AVIVA INVESTORS</p> <p>Acquisition of Jacks Lane Energy Ltd, Woolley Hill Electrical Energy Ltd, Den Brook Energy Ltd and Turncole Wind Farm Ltd</p> <p>Energy sector</p> <p>c.£180 million June 2016</p> <p>Grant Thornton provided due diligence services</p>

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Case Study | Innovia Group

Our Corporate Finance team advises on the acquisition of Innovia Group's cellophane division by Futamura Chemical Company

Background to the deal

Innovia Group is a global leader in high-tech film products, supplying highly differentiated products for industrial applications and banknotes. The business is headquartered in Wigton, Cumbria but has a geographical presence in USA, Australia, Belgium and Brazil.

Futamura Chemical Co. is Japan's leading manufacturer of food packaging films which includes the market leading brand of NatureFlex compostable films.

Futamura expressed an intent to acquire Innovia's cellophane division, which comprised manufacturing plants in Wigton and in the US, to enhance its product range and expand its global presence and provide additional manufacturing capacity.

Solution

Futamura Chemical Co. appointed Development Bank of Japan as its lead advisor but required a UK based corporate finance advisor to assist in negotiating the final terms of the asset

purchase agreement. The UK Corporate Finance team were introduced by DBJ, who are one of the firm's strategic global partners, demonstrating the strength of Grant Thornton's international M&A network.

The team were able to use knowledge of the UK market to assist Futamura and DBJ in their negotiations with Innovia Group.

The Corporate Finance team had to work closely with DBJ to get up to speed within very tight timescales in order to complete the deal.

How we made a difference

Grant Thornton provided corporate finance advisory services. We were also able to draw on the expertise of our SPA advisory team in order to support Futamura and DBJ.

















Our rapid response and close working relationship with DBJ enabled a seamless and joined-up process for all parties and secured a successful outcome for Futamura.



A great example of working closely with one of our key global partners which delivered an excellent outcome for the client. This deal represents a strong credential for our corporate finance team demonstrating our team's ability to work flexibly on a cross border transaction in collaboration with other international M&A advisors."

Matthew Bryden-Smith
Director
Grant Thornton UK

Industrials

<p>Rimstock plc</p>  <p>Acquisition of Rimstock plc by Safanad / Current Capital</p> <p>Automotive wheels</p> <p>£undisclosed June 2016</p> <p>Grant Thornton provided due diligence services</p>	<p>Broadway Stampings Limited</p>  <p>Acquisition of Dyson Diecastings Limited</p> <p>Automotive engineering</p> <p>£undisclosed June 2016</p> <p>Grant Thornton provided due diligence services</p>	<p>The Martin Group of Companies</p>  <p>Acquisition of the King Engineering Group</p> <p>Specialist manufacturing</p> <p>£undisclosed June 2016</p> <p>Grant Thornton provided due diligence services</p>	<p>Aviva plc</p> <p>Acquisition of Citiscene Developments Limited</p> <p>Ground rent portfolio</p> <p>£6.5 million June 2016</p> <p>Grant Thornton provided due diligence services</p>	<p>Jones Environmental Forensics Limited</p>  <p>Sale of Jones Environmental Forensics Limited to Exova plc</p> <p>Environmental services</p> <p>£undisclosed July 2016</p> <p>Grant Thornton provided corporate finance advisory services</p>
<p>RAG-Stiftung Beteiligungsgesellschaft mbH</p>  <p>Acquisition of Desco 2011 Limited</p> <p>Civil and structural consultancy</p> <p>£undisclosed July 2016</p> <p>Grant Thornton provided due diligence services</p>	<p>Premier Technical Services Group plc</p>  <p>Acquisition of UK Dry Risers Limited and Dry Risers Maintenance Limited</p> <p>Dry risers installation & maintenance</p> <p>£undisclosed July 2016</p> <p>Grant Thornton provided due diligence services</p>	<p>Safety and Survival Systems International Limited</p>  <p>Refinancing</p> <p>Manufacture and supply of marine safety equipment</p> <p>£undisclosed July 2016</p> <p>Grant Thornton provided due diligence services</p>	<p>Elysian Capital LLP</p>  <p>Acquisition of Raymond Brown Minerals & Recycling Limited</p> <p>Quarrying, waste management and recycling</p> <p>£undisclosed August 2016</p> <p>Grant Thornton provided due diligence services</p>	<p>LDC</p>  <p>MBO of PAW (Holdings) Limited</p> <p>Design, manufacture and erection of light gauge steel building systems</p> <p>£undisclosed September 2016</p> <p>Grant Thornton provided corporate finance advisory services</p>
<p>White Clarke Group</p>  <p>Investment by Five Arrows Principal Investments in White Clarke Group</p> <p>Automotive and asset finance software and consultancy services</p> <p>£undisclosed October 2016</p> <p>Grant Thornton provided vendor assistance services</p>	<p>Heating Plumbing Supplies Group (HPS)</p>  <p>Sale to a subsidiary of Marlowe Holdings Limited</p> <p>Heating and Plumbing merchant</p> <p>£undisclosed November 2016</p> <p>Grant Thornton provided corporate finance advisory services</p>	<p>Connection Capital LLP</p>  <p>MBO of Clamason Industries Limited</p> <p>Precision pressings and stampings</p> <p>£undisclosed December 2016</p> <p>Grant Thornton provided due diligence and operational advisory services</p>	<p>Woodway Packaging Limited</p>  <p>Sale to Bunzl plc</p> <p>Packaging products and solutions</p> <p>£undisclosed December 2016</p> <p>Grant Thornton provided corporate finance advisory services</p>	<p>QinetiQ plc</p>  <p>Acquisition of Meggitt Target Systems</p> <p>Defence products and services</p> <p>£57.5 million December 2016</p> <p>Grant Thornton provided due diligence services</p>
<p>Equistone Partners Europe Limited</p>  <p>Acquisition of T.O.M. Vehicle Rental Limited</p> <p>A commercial vehicle rental and dealership business</p> <p>£undisclosed December 2016</p> <p>Grant Thornton provided due diligence services</p>	<p>CBPE Capital LLP</p>  <p>Acquisition of SAFECHEM Europe GmbH</p> <p>Sustainable cleaning products and services</p> <p>£undisclosed December 2016</p> <p>Grant Thornton provided due diligence and SPA advisory services</p>			

Case Study | John Henry Group

Our Corporate Finance team advises the shareholders of John Henry Group on investment by Growth Capital Partners

Background to the deal

John Henry Group (JHG) is a leading telecoms infrastructure services provider, delivering full turn-key solutions to telecoms network operators from design through to delivery, principally focused on maintaining and extending broadband infrastructure.

Originally established in 1985, JHG has expanded from its Cambridgeshire base to operate across the UK from 10 sites and holds long-standing relationships with all major network operators.

The group has experienced a period of significant growth which is expected to continue as a result of significant on-going investment into the UK's broadband infrastructure.

Solution

Grant Thornton has been working with the family shareholders of JHG for a number of years providing strategic advice in respect of both shareholder objectives and the preparation of the business for the next phase of its growth.

We introduced the shareholders to Growth Capital Partners (GCP) who provided a tailored solution centred on a £23.3 million investment in the business which will enable the business to achieve its full potential in a buoyant market.

How we made a difference

Grant Thornton provided strategic advice to both shape the key objectives of the transaction and source a suitable partner for the business. The team led negotiations to optimise the deal structure and project managed the entire process through to completion.

We engaged our wider tax advisory and financial modelling teams to provide a fully integrated service in support of the transaction.

Steve White, Corporate Finance Director, who led the transaction commented: "We are delighted to have advised JHG at this important time in its development. With GCP's support the business has the opportunity to continue to drive its fantastic growth story under the leadership of an outstanding management team."


















The Grant Thornton team have delivered an outstanding result for the shareholders and the business. They demonstrated a clear understanding of our objectives, the ability to source an ideal partner for the business and deep deal experience in managing a complex process and maximising the outcome for all key stakeholders."

Patrick Henry
CEO
John Henry Group

Financial Services

Financial Services M&A activity showed strong but decreasing performance growth in 2016 across all three sub-sectors; banking, insurance & investment management. The record-breaking levels of 2015 were not repeated, with uncertainty across a number of geopolitical areas including Brexit, the US election, a slowdown of the Chinese economy and falling oil prices, causing a number of investors to adopt a 'wait-and-see' attitude. The effect of this were less 'mega deals' however these were replaced by a higher volume of lower-value M&A deals.

With the geopolitical uncertainty continuing, the outlook for 2017 proves interesting. Arguably the uncertainty should be offset by a combination of favourable interest rates, a growing alternative lending marketplace and a number of already cash-rich investors. Two industries which we expect to see an increasing amount of M&A activity is between banking and technology, as fintech companies continue to have a disruptive influence on the traditional banking value chain, which provides an opportunity for the bigger players to capitalise on the start-ups technical capabilities and lower cost base.

<p> DSG Financial Services Limited</p>  <p>Equity investment by Promethean Investments LLP</p> <p>Motor finance broker</p> <p>£undisclosed January 2016</p> <p>Grant Thornton provided corporate finance advisory services</p>	<p> Baird Capital Partners Europe Limited</p>  <p>Divestment of Alpha Financial Markets Consulting</p> <p>Consulting</p> <p>£80 million January 2016</p> <p>Grant Thornton provided vendor due diligence services</p>	<p> Bradgate Business Finance Limited</p>  <p>Sale to 1pm plc</p> <p>Asset finance broker/funder</p> <p>£undisclosed March 2016</p> <p>Grant Thornton provided corporate finance advisory services</p>	<p> Gateley (Holdings) plc</p>  <p>Acquisition of Capitus Limited</p> <p>A UK specialist tax incentives advisory business</p> <p>£undisclosed April 2016</p> <p>Grant Thornton provided due diligence services</p>	<p>Cardano Holding Limited</p>  <p>Acquisition of Lincoln Pensions Limited from Lincoln International</p> <p>Pension scheme advisory</p> <p>£undisclosed October 2016</p> <p>Grant Thornton provided due diligence services and SPA advisory services</p>
<p> Premier Asset Finance Limited</p>  <p>Sale of Paragon Asset Finance to Paragon Group</p> <p>Asset finance broker</p> <p>£20.5 million October 2016</p> <p>Grant Thornton provided corporate finance advisory services</p>	<p> S-Tech Insurance Services Limited</p>  <p>Sale to Alan Boswell Group</p> <p>Insurance broker</p> <p>£undisclosed November 2016</p> <p>Grant Thornton provided corporate finance advisory services</p>	<p> B.P. Marsh & Partners plc</p>  <p>Investment in The Fiducia MGA Company Limited</p> <p>Financial services</p> <p>£undisclosed November 2016</p> <p>Grant Thornton provided due diligence services</p>		

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Case Study | Premier Asset Finance Limited

Our Corporate Finance team advises on the sale of Premier Asset Finance Limited to Paragon Group

Background to the deal

Based in Edinburgh, Premier is a leading, award-winning independent provider of high-value asset finance solutions to a broad range of customers across the UK. It currently generates over £100 million of annual business volumes.

Premier was founded in 2008 by Mark Ripley and Kevin Davidson, both former main board directors of Bank of Scotland Asset Finance and highly respected across the asset finance industry. Between them, they have over 60 years of industry experience.

Founded in 1985, Paragon is a FTSE 250 listed banking group active in the mortgage, commercial loans and asset finance markets. The acquisition of Premier complements Paragon's acquisition of Five Arrows in 2015 and further strengthens their presence in the buoyant UK asset finance market.

Solution

In a targeted process and through leveraging the team's extensive sector insight, relationships and knowledge of the buyers, Grant Thornton delivered a transaction which met the objectives of all the stakeholders.

The Grant Thornton team ran a highly competitive process, with much interest coming from both Private Equity and trade buyers before selecting Paragon as the preferred acquirer.

How we made a difference

Grant Thornton project managed the entire sale process from start to finish, identifying the best potential buyers, leading negotiations to maximise shareholder value and resolving issues arising out of negotiations and due diligence to complete the transaction.

Antony Watkins, Financial Services Corporate Finance Associate Director, who led the deal, commented: "The sale of Premier represents another strong credential for the Financial Services Corporate Finance team within the asset finance market and is our fifth successful sale mandate in the sector in 11 months, making us the leading financial adviser in this market by some distance."



The Grant Thornton team guided us from start to finish throughout what was a highly important transaction for us. The successful transaction with Paragon represents a new chapter in the Premier story and we are grateful to the Grant Thornton team for helping us successfully achieve this."

Mark Ripley and Kevin Davidson
Co-founders
Premier Asset Finance Limited

Private Equity

Contrary to consensus expectations, geopolitical risks became reality in 2016 as, the UK voted to leave the European Union and Donald Trump was elected President in the United States. The full economic and political implications of these decisions for the UK, the US and the global economy remain largely unknown and this uncertainty has unsettled the private equity community. Private equity investors have proven their ability and appetite to invest through recessions and downturns but it is uncertainty that makes them nervous and ultimately benefits no-one.

A number of deal processes were delayed as funds re-evaluated the risks of specific investment opportunities and with a small number of processes being halted there was a clear pause in the market as investors reviewed their investment rationales. However, whilst this turmoil adds a layer of complexity to the market, the outlook is not entirely downbeat with a steady stream of opportunities ensuring continued activity across the market.

The need for GPs to deploy capital remains strong with the ever-growing mountain of dry-powder maturing and we expect the fight for quality to continue, providing an element of robustness to pricing. The cardinal sin in private equity is to return uninvested capital to investors and we would expect pricing for top quality assets to remain high and deal processes to remain extremely competitive. We also expect to see increased activity from overseas private equity investors, from both the US and mainland Europe, seeking to take advantage of the favourable exchange rates created by £ sterling's depreciation since the Brexit vote.

Notwithstanding the abundance of available capital and competitive pricing, we would certainly expect a caution in investment around certain consumer facing assets in lieu of a potential downturn, and businesses with significant currency exposure. We would expect to see an increased appetite for large scale buy & build investments and high-end people and process based business who are supporting UK PLC through the regulatory and operational changes expected in an uncertain market.

The underlying longer-term trend for private equity to focus on enhancing value through operational improvement within portfolio assets will have a renewed focus as the potential to generate acceptable returns through financial engineering or market arbitrage declines.

Despite the uncertainty, the volume of Grant Thornton's deal activity involving private equity firms in 2016 increased by 23%, with 44 completed transactions in the year. Based on current activity levels going into 2017 we would certainly expect this growth to continue.

Contact us

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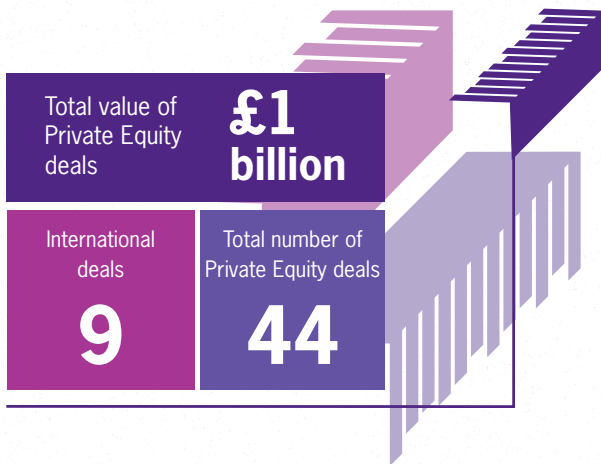
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Sector breakdown



A selection of Private Equity clients



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We would be delighted to discuss how Grant Thornton can help you achieve your strategic objectives. Please contact a member of our team or email us at corporatefinance@uk.gt.com

For more information on Grant Thornton International member firms, please visit www.grantthornton.global

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