

May 2024 Corporate Finance Update



**#1 most active dealmaker
in the South West.**

The Corporate Finance team at PKF Francis Clark have enjoyed a successful Q1 with multiple deal completions achieving some exceptional outcomes for our clients. This followed a successful 2023 where we were recognised by Experian as being the most active dealmaker in the South West.

Our approach

We support businesses in preparing for the transaction process, identifying strategic purchasers and presenting the business to buyers.

This ensures that quality businesses overcome current market caution in both pricing and deal structures.

View of the market

- We continue to see many active buyers and investors seeking opportunities and are regularly approached by would be buyers, suggesting greater demand than supply
- Private equity backed deals (either investment or bolt-ons), overseas strategic acquirers and buy and builds being key themes

- Deal timelines remain protracted and on almost all sell side projects, we are spending additional time early in a process assisting owners and management prepare to mitigate the impact of time delays and improve the likelihood of success
- Growing optimism around the economy, the prospect of falling interest rates, concerns over potential changing capital gains tax rates and significant funder appetite (both debt and equity) are expected to drive an increase in activity over the remainder of the year
- This may be tempered in some areas by the forthcoming election, however, our recent experience indicates many business owners and management teams are placing greater weight on economic performance and are waiting to see a return to growth before taking a decision to commit to transactions



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Recent deals



VALEPORT

SALE

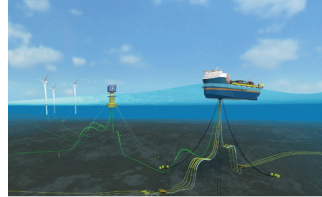
Advised on the sale to NASDAQ listed Teledyne Technologies



BV DAIRY

SALE


Advised on the sale to First Milk cooperative



CRONDALL ENERGY

MANAGEMENT BUYOUT

Advised on the MBO of Cron dall Energy



THE LITTLE GREEN ENERGY COMPANY

SALE

Advised on the sale to Hometree




FIG POWER

SALE

Advised on the sale to The Renewables Infrastructure Group (TRIG)



FORESIGHT

DUE DILIGENCE


Advised Foresight on their investment into Family Adventures Group



YFM EQUITY PARTNERS

DUE DILIGENCE


YFM investment into Smart Numbers



DP SEALS

SALE

Advised on the sale to Lagercrantz



CLEAR-FLOW

SALE

Advised on the sale of Clear-flow (subsidiary of Goonvean Holdings Ltd) to Lanes Group PLC



What our clients say



Henry Easterbrook **Fig Power CEO**

“PKF were instrumental in making this happen - we’re grateful and delighted!”

Simon Dudson **CEO of The Little Green Energy Company**

“Always there to discuss the deal or any other concerns I might have... I think it is important when doing a transaction like this to get on with the people you work with. I can honestly say this was the case and, although hard, it made the process actually enjoyable and I learnt a lot. I would not hesitate to recommend their services. Who knew it could be so much fun working with accountants?”

Andrew Piper **Managing Director of DP Seals Limited**

“PKF Francis Clark understood our concerns and priorities. At the outset, they steered us on reasonable valuation expectations in the current market and gave us financial planning advice to determine if such a valuation would meet our personal needs in retirement. What really shone through was their ability to help us take the emotion out of an emotive subject, providing a voice of reason to help us understand issues from all points of view and ultimately reach positions that were acceptable to both sides.”

Nick Mettyear **Senior Investment Manager, Foresight Group LLP**

“I have now done several financial due diligence engagements with PKF Francis Clark and the service has got better each time. They managed the engagement with the target and understood the complexities of the business model quickly. Ultimately, they delivered a report that was thorough, value additive and reader-friendly.”

Matt Quartley **Managing Director of Valeport**

“Selling our family business wasn’t something that we entered into lightly, but having decided to do so, we are extremely grateful for the efforts made by the team at PKF Francis Clark to make the whole process as smooth as possible.

“From preparing the initial information memorandum and generating an international list of potential suitors, to facilitating discussions and site visits, as well as helping us decide on the right buyer and managing the negotiation process (not to mention all the advice and input on the financial aspects of the deal), the team were professional, responsive and reassuring throughout the whole process, making sure that we stayed focussed on the important elements and not allowing us to become distracted by relatively minor discussion points. I cannot recommend them highly enough.”

Jim Highnam **Managing Director of BV Dairy**

“We were delighted with the advice and support from the team at PKF. They were always available to guide us at every step of the way. Selling a business is a marathon not a sprint, and we were supported along every step by the professional and objective guidance of PKF, who were always available to provide logical analysis and objective direction, with the minimum of fuss.”

Matthew Gazzard **Managing Director of Clear-flow Limited**

“We received interest from a potential buyer and decided to use PKF Francis Clark to run a full sales process where they introduced other potential names. During the process, the team were able to enhance the offers received and helped to negotiate a successful transaction, including negating an attempted reduction in the bridge between enterprise value and the equity value.”

