

A STRATEGIC ACQUISITION: MAXIMISING VALUE TO SECURE THE OPTIMAL OUTCOME

CORPORATE FINANCE CASE STUDY



LOCAL
KNOWLEDGE,
GLOBAL
EXPERTISE



Summary

Prime Principle, the software developer behind the pupil-tracking software Classroom Monitor which is trusted by almost 2000 schools was acquired by Juniper Education in a deal advised by PKF Smith Cooper's specialist Corporate Finance division.

Dan Bowtell, Corporate Finance partner, was appointed to assist the vendors in negotiating the deal and maximising the value of the business in order to secure the optimal outcome for the client.

This strategic acquisition expands Juniper Education's portfolio of innovative software and services. It increases the number of schools using its solutions to over 7,000, providing schools with the insight they need to boost pupils' achievement.

Background

Prime Principle is the developer behind Classroom Monitor, the pupil tracking software trusted by 53,000 educators in over 2,000 schools. For 15 years Prime Principle has guided users through crucial changes to education policy and best practice, providing technology that's innovative, flexible and fully based around what schools need.

They were approached by Juniper Education, a comprehensive education support service and competitor, who were interested in acquiring

the business. The approach was unsolicited, and therefore required consideration in light of the current business plan, strategic aims of management, and the value aspirations of the shareholders. After careful consideration, the decision was made to proceed with an evaluation of the offer. Dan Bowtell was appointed to assist in the negotiations, working alongside the client throughout.

How we helped

Our multifaceted team combined expertise and market knowledge to provide the vendors with innovative, commercially viable solutions that optimised value. Throughout the process, Dan was responsible for:

- Advising on the structure of the deal, and negotiating an increase in its value
- Leading discussions around working capital and surplus cash extraction - a key metric for the shareholders
- Providing tax advice to the shareholders and EMI option holders

Management were keen that the deal did not distract from the running of the business, and the decision to proceed was based on the ability to execute quickly. Following discussions with the buyer, an accelerated timetable was agreed, and the deal was completed within 5 weeks.

The result

Prior to the acquisition of Prime Principle, Juniper Education solutions had already been implemented in over 4,500 schools, which is now set to increase to 7,000 after both client bases are consolidated. This will provide schools with better access to the tools they need to unlock their pupils' potential.

The main shareholder of Prime Principle has taken a Board level role at Juniper and continues to be involved full-time in the business.

To speak to one of our experts, please call 03333 446306 or visit our website www.pkfsmithcooper.com.