

DEAL DISPATCH - ISSUE 39

OUR CORPORATE FINANCE DIVISION'S REGULAR DEAL ROUND-UP

A low-angle, upward-looking photograph of a modern building's interior or exterior structure. The image features a complex network of blue-tinted steel beams and glass panels, creating a geometric pattern. The perspective draws the eye towards the top of the frame, where the structure seems to converge. The lighting is bright, suggesting a sunny day, and the overall color palette is dominated by blues and greys.

LOCAL
KNOWLEDGE,
GLOBAL
EXPERTISE

Market overview

Market-wide prophecies are inevitably sounding loud notes of caution across the economy as a whole, but now that number 10 has a new tenant with a “grip on the controls”, let’s hope that this begins to repair the dents in consumer confidence.

At PKF we continue to see good levels of deal flow and new prospects, with particular acquisition interest from overseas buyers and private equity-backed businesses. A good example is our recently completed disposal of Wrekin Products to a French buyer - which benefitted from our PKF International network. We are delighted to have been nominated in multiple categories in the imminent Insider Midlands Awards, including one for the Wrekin deal as International Deal of the Year.

Looking forward to 2023, our view is that good quality businesses in resilient sectors, that are now delivering performance that fully reflects post COVID recovery, will continue to be in high demand.

We believe buyers will remain active and that the plentiful availability of capital will enable well-structured deals, possibly financially-engineered to accommodate some uncertainties in future trading, will enable a decent level

of completions. Our confidence is reflected in our recent addition to the CF team, more of which in the next issue.

The looming headwinds are certainly driving pragmatism in deal-doers’ strategy and objectives. For many that means realising value sooner rather than later. It’s never too early to start planning your exit so please get in touch if you’d like an initial discussion.



James Ward,
Corporate Finance Director

Deal summary



Sale of Gilbody Holdings Limited to Twigcrest Limited

PKF advised the vendors



Management buyout of Moore Large

PKF advised Moore Large



Sale of Red Diamond to Mitsubishi Logisnext Europe

Tax advice provided to the vendors



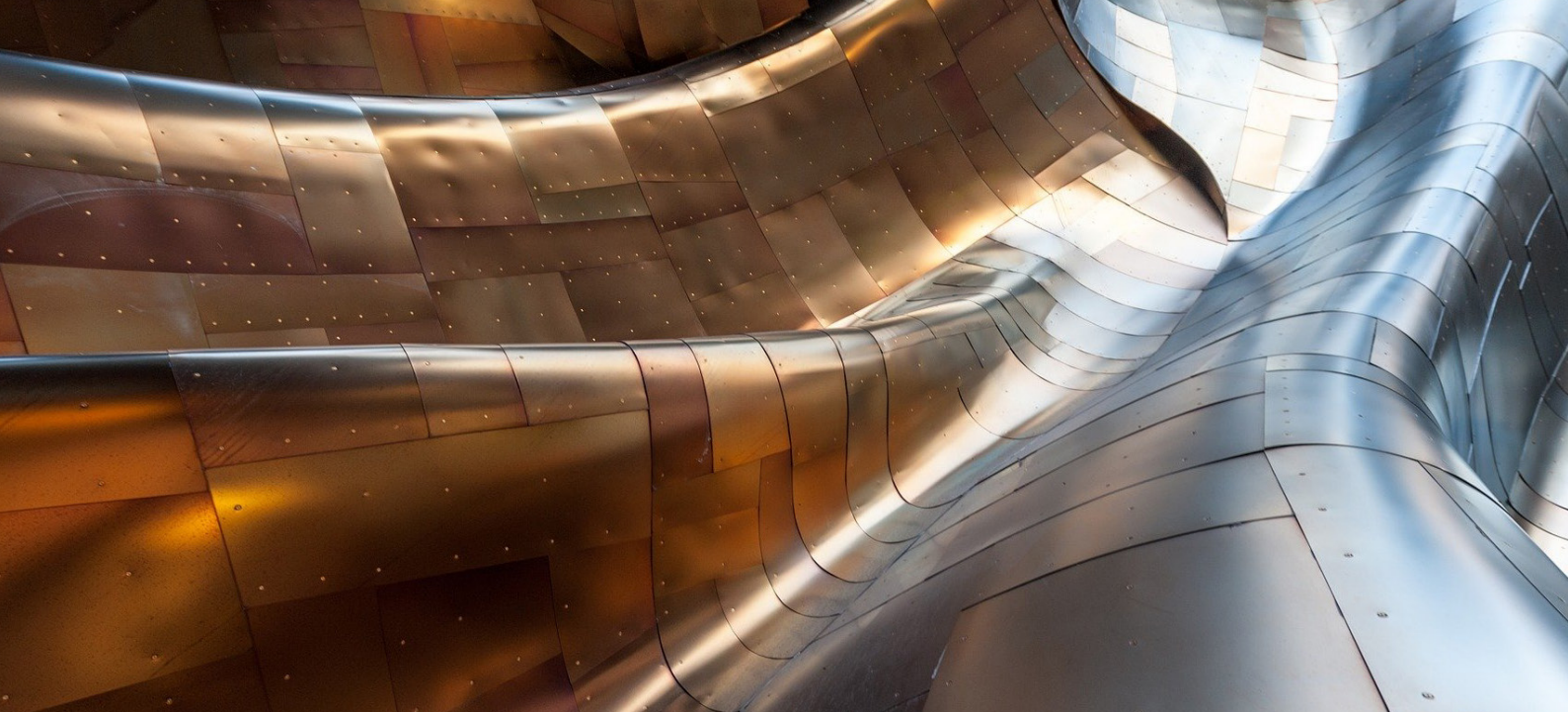
North Hill Dental merger with Dental Beauty Partners

Tax advice provided to the vendors



Wrekin Products Limited merger with Produits Industriels Lorrains

PKF advised the acquirers



International merger for Wrekin Products Ltd

UK civil engineering design and manufacturing company, Wrekin Products Ltd (Wrekin), has joined forces with France-based business Produits Industriels Lorrains (PIL) in an international deal led by PKF Smith Cooper, sole lead advisors on the transaction.

Wrekin Products is the largest independent designer, manufacturer and supplier of specialist products for the UK civil engineering industry, including road access covers and systems, geosynthetics and bespoke steel solutions.

PIL specialises in the design and distribution of cast iron covers and gratings for the public highway network in France and has strong links across Europe and Asia. Their strong operational and cultural synergies with Wrekin Products will accelerate growth and support further expansion into Europe, with the combined entity aspiring to become a leading pan-European supplier of iron products.

Darren Hodson, commented: “We are delighted to have secured a successful deal for the Turner family; the merger of the two businesses is really compelling and significant synergies are available to both parties in their respective markets. There is a strong opportunity for the combined business to drive further international growth across Europe following the merger.”

Simon Turner, Commercial Director at Wrekin Products, said: “On behalf of my family and everyone at Wrekin Products, I would like to thank the corporate finance team at PKF Smith Cooper for their invaluable help throughout this deal.

“They were able to utilise their international skills and connections to pull the deal together, and showed real leadership in navigating us through a really complicated merger.

We have a great platform that should benefit all our clients and we are really looking forward to the future”.

- Wrekin Products Commercial Director, Simon Turner



PKF advises on the management buyout of the UK's largest family-owned bicycle distributor



In a deal advised by PKF Smith Cooper, Derbyshire bicycle supplier and distributor, Moore Large, has seen ownership pass to its management team, and secured a funding package from HSBC UK to support growth.

Four members of Moore Large's senior management team – Andrew Walker, Dale Vanderplank, Adam Biggs and Adam Garner – have taken over the business after 50 years of ownership by the Moore family. The move followed the decision by Chairman and Managing Director, Nigel Moore, to begin his retirement after over 40 years at the helm.

The buyout will see the company enter its next phase of growth, following a surge in demand for bicycles since the pandemic started. The funding not only funded the deal but will also give the company a kickstart as it aims to grow by 40% over the next four years - by focusing on developing its house brands, which include 'ETC' and 'Forme'.

Nigel Moore commented: "After over 40 years leading the company, I'm excited to be retiring and entering a new phase in my life. The last few years at Moore Large have been particularly successful and now feels like the right time for me to hand over the company to the senior management team."

Andrew Walker, Commercial Director at Moore Large, added: "The demand for bikes continues to increase and the funding from HSBC UK will greatly help the future development of Moore Large as the new board gears up for major growth."

"I'd also like to extend my thanks to David Nelson at PKF Smith Cooper, who facilitated the deal between the management and vendor."

- Moore Large Commercial Director, Andrew Walker

David Nelson, commented: "I am delighted to have been involved in this transaction that sees such a great and important business transition its ownership. I wish both the management team and Nigel Moore every future success."



Red Diamond sold to Mitsubishi Logisnext Europe in deal advised by PKF



Forklift truck importer and distributor Red Diamond Distribution Limited has been sold to Mitsubishi Logisnext Europe (MLE), one of the world's largest manufacturers of forklift trucks. This latest acquisition enables MLE to move forward with its program of integration and realignment of its global brand portfolio.

Red Diamond has been the exclusive distributor of Mitsubishi forklift trucks in the UK since its incorporation in 2013, helping the brand to more than double its market volume in that period.

The shareholders of Red Diamond were advised on this transaction by the transactional tax specialists at PKF Smith Cooper, headed by Adam Rollason. In addition to the provision of formal tax advice to the shareholders, PKF provided tax due diligence support and also share purchase agreement advisory services.

As the shareholders of Red Diamond own a number of additional Mitsubishi dealerships, they will retain a close working relationship with the acquirer moving forwards. Mike Jones, Managing Director of Red Diamond, said, "We are immensely proud of everything we have achieved in the last nine years at Red Diamond. Upon being approached by Mitsubishi with an offer to acquire the business, the shareholders felt that the timing was right

to allow the brand to take the company into the next stage of its journey."

"We are incredibly grateful for the advice and support which Adam and his team were able to provide us and we look forward to continuing our working relationship with PKF Smith Cooper for many years to come."

- Red Diamond Managing Director, Mike Jones

Adam Rollason, Tax Partner and Head of Transactions Tax at PKF Smith Cooper said, "I am delighted to have supported the shareholders of Red Diamond with this transaction. Working with Mike and Rachel has been a pleasure; their desire to get this deal done and secure the long-term future of the business for its employees was clear from the outset."



Award-winning dentist teams up with Dental Beauty Partners



Two award-winning dental practices in Colchester have partnered with Dental Beauty Partners, one of the UK's leading dental groups, in a deal led by PKF Smith Cooper.

The deal involves North Hill Dental and Layer Road practices joining Dental Beauty Partners' growing portfolio of practices across the UK, further enhancing their provision of exceptional dental care across London, the South East and the North West of England.

Principal Dentist of the two Colchester businesses, Dr Sachin Sedani, was advised and supported on the transaction by transactional tax specialists at PKF Smith Cooper led by Adam Rollason, Tax Partner and Head of Transactions Tax. In addition to the provision of formal tax advice to the shareholders, the firm assisted with tax due diligence support and the provision of share purchase agreement advisory services.

As part of the agreement Dr Sedani will join Dental Beauty Partners to support the further growth of the two Colchester practices, and help with planned expansion across Essex. Dr Sedani is a specialist in dental implants, adult orthodontics and advanced dental care, having amassed sixteen years' experience since qualifying from Guy's Kings St Thomas' School of dentistry, King's College London.

Commenting on the deal, Dr Sedani said "Bringing in a new partner to support us in the next stage of our journey was always going to be difficult, but I had no idea how challenging and complex the process itself was going to be. From the outset Adam and his team were outstanding, clearly knowledgeable, and highly experienced in the world of corporate deals. Nothing was ever too much trouble."

"I would have no hesitation in recommending them to other business owners who are considering a sale, partnership or joint venture arrangement in the future."

- Dr Sedani, Dental Beauty Partners

Adam Rollason said, "I am delighted to have advised Sachin on this transaction. It was a pleasure to work with him and his other advisers, and I have no doubt whatsoever that he will have a long and prosperous partnership with Dental Beauty Partners. I wish him all the best in the next stage of his career."

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Top 10

Consistent Top 10 position for
Corporate Finance in the Midlands



DEALMAKERS

AWARDS 2022

SHORTLISTED

- SME Advisory Team of the Year
- Corporate Finance Advisory Team of the Year
- International Deal of the Year
- SME Deal of the Year
- Mid-market Deal of the Year
- Dealmaker of the Year



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