

ANNUAL DEALS REVIEW 2022

A nighttime photograph of a modern glass skyscraper. The building's facade is composed of numerous glass panels, many of which are illuminated from within, creating a grid of light. The interior lights vary in color, including warm pinks, oranges, and cool blues. The building is set against a dark sky, and the overall scene conveys a sense of urban activity and modern architecture.

LOCAL
KNOWLEDGE,
GLOBAL
EXPERTISE



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It has been another award-winning year for the PKFSC corporate finance division, being crowned 'SME Advisory Team of the Year' at Insider Dealmakers' Awards in September 22. This demonstrates another great year of dealmaking for the team, with deal activity in the Midlands continuing to show resilience against the economic and political uncertainty.

During our first full calendar year of membership within the PKF network, the Midlands Corporate Finance team completed 29 deals worth £346.8m. This includes five cross-border deals, demonstrating our global reach and access to international purchasers.

Since our last annual deals review was released, Tom Joy and Josh Gurton have been promoted to Senior Manager and Senior Executive, respectively, reflecting their contribution to a number of successful deals in Birmingham. In Derby, we have also welcomed Jasbir Mangat, Executive. The success and expansion of our team shows our ambition for further growth and we continue to recruit across all offices.

In 2022, we advised on a high proportion of sell-side opportunities, the increased demand to sell being matched by large corporations and investors having dry powder to deploy.

Some deal highlights:

- Our specialism in the food and drink sector was emphasised by a number of transactions - firstly, the buy-side support for FT Foods in its acquisition of Barack Group, making it the largest KFC operator in London, with 41 stores.

- Secondly, by our funding support for the acquisition of a cluster of Pret A Manger stores by an undisclosed buyer.
- And thirdly, by our advice on the acquisition of Cornish Bakehouse.
- We also supported prominent Midlands food wholesaler Hyperama on its divestment of its Peterborough, Nottingham and West Bromwich sites.
- Our expertise in the Fire & Security sector resulted in our selection by Duke Royalty to provide commercial diligence in support of their acquisition of New Path Fire and Security.
- Early in the year, we supported the shareholders of Olivehorse Consulting, a sector-leading supply chain consultancy practice, in its sale to PWC.
- Our international credentials were demonstrated as we advised local businesses Wrekin and Evac+Chair International, on their respective sales to international buyers, showing not only the strength of Midlands businesses but their attraction overseas.

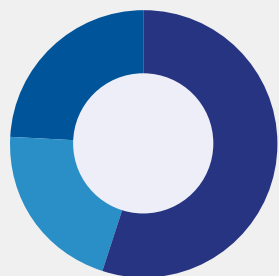
Total deal value

Average deal value

£346m

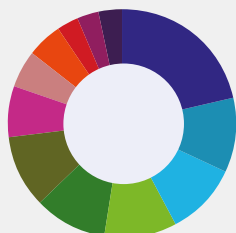
£12m

Deal volumes **by role**



● Sell-side	55%
● Buy-side	21%
● Due diligence	24%

Deal volumes **by sector**



● Food & Drink	22%	● Business Services	7%
● Consumer/retail	10%	● Fire & Security	6%
● Healthcare	10%	● TMT	6%
● Manufacturing	10%	● Automotive	3%
● Professional Services	10%	● Consulting	3%
● Transport & Logistics	10%	● Education	3%

Outlook:

It would be amiss to ignore the economic and political headwinds that may reduce M&A volumes in 2023 (such as high interest rates and reduced consumer confidence). However, we mainly expect this to impact large company deal volumes (£250m plus) and those sectors connected to discretionary consumer demand.

We expect continued strong demand for good quality businesses, and have yet to see any reduction in demand for SMEs - mainly because capital is still available, increasingly from alternative lenders and private equity.

Additionally, we expect the risk of a potential change in Government, with Labour being more vocal on increasing Capital Gains Tax rates, to drive more vendors to exit before the next election. These sellers seek to avoid the tax burden which could reduce net proceeds to shareholders by as much as 10-20%.

Overall, we remain optimistic about the outlook for 2023; we have a healthy pipeline of assignments on the back of the strong momentum that was built in 2022. The Covid pandemic has made British SME businesses more resilient and creative, with many now realising growth from changes and investments made in that period. This, combined with a change in Government, is likely to inflate demand to sell, this being matched by demand from Corporates and PE investors - including those overseas benefiting from exchange rates.



Tom Joy
Corporate Finance Senior Manager



Josh Gurton
Corporate Finance Senior Executive

PKF corporate finance in the UK & Ireland

161

Deals completed in 2022 (compared to 102 by KPMG, 96 by PwC, 84 by EY and 72 by Deloitte*)

*Figures according to UK and Ireland Experian search results

£2.27bn

Total deal value in 2022

PKF UK & Ireland and internationally



11th

Largest accountancy brand in the UK&I

19

Offices across the UK&I

1,200+

Employees and 124 Partners in the UK&I

£1.4bn

Aggregate fees globally

150

Countries

20,000

Professionals globally

480

Offices globally

PKF Smith Cooper corporate finance

As part of one of the Midlands' leading firms of multi-disciplinary accountants and business advisors, we mainly operate across key geographies in Derby, Nottingham and Birmingham, but UK-wide in our specialisms.

Working collaboratively with other colleagues in disciplines within PKF Smith Cooper, and with our global PKF partners, we share our ideas, expertise, and specialist resources to deliver tailored, client-centric services that promote global connectivity.

Highly-skilled and formally recognised, our specialist teams work alongside clients to gain a deep understanding of their business and objectives to deliver world class solutions meeting those objectives.

Through our membership with PKF International – a network of legally independent accounting firms – we are at the forefront of compliance regulations, market trends, and sector developments, allowing us to provide high quality solutions.

Across all of our disciplines, we work in unison with PKF member firms across the world, and effectively blend local expertise with extensive territorial knowledge. This allows us to provide a full range of audit, accountancy, tax, and advisory services, in line with the expectations and needs of clients with international interests.



Award-winning team

Our consistently high-quality service is regularly recognised by industry peers and professional bodies.



£5-£50 million typical deal size

Our deal sizes range between £2 million and £150 million.



Almost 100 deals in the last 3 years



Dedicated, well-qualified, highly experienced CF team

Our team includes 12 advisors and support staff across 3 locations.



Consistent Top-10 position for Corporate Finance in the Midlands

Our services

Exit strategy and succession planning

We provide advice to corporate clients, entrepreneurs and owner-managers on exit strategy and succession planning.

Growth and development capital

We specialise in sourcing debt and equity capital by drawing on our extensive network of capital providers.

Private equity

We can advise on private equity funding whether you are looking for finance for growth, to facilitate a management buy-out, or to sell or release capital from your business.

Debt advisory

We can assist with refinancing, raising new or restructuring debt for transactions or growth, in addition to general funding advice.

Equity release

We have the network and experience to guide clients through the complications of this process.

Disposals

We're experts in managing disposals to optimise value. We ensure effective planning and evaluation, and begin advising well ahead of any marketing process.

Buy-outs

We act for management teams and buy-in candidates, guiding them through what is often a complex, once-in-a-lifetime experience.

Special situations

Whatever the situation, we can provide a tailored solution to meet your objectives, in a sensitive, professional and timely manner.

Acquisitions

We work closely with corporate and individual acquirors to understand their objectives, formulate strategies and manage the subsequent process acquisition strategy.

Capital markets*

Our specialist team has broad experience working with companies listed, or looking to list, on a range of international markets.

By understanding your aspirations and business issues, we will work with you to deliver practical, commercially-viable advice with positivity and tenacity.

Whether you are looking to buy, grow organically, sell, or raise finance - we can help. Our highly experienced, partner-led advisory team specialises in comprehensive, high-intensity project-management of deals, usually up to £50m. We are equally happy advising at a strategic level, or on discrete aspects of a transaction.

* Available at PKF Smith Cooper, through member firms of our international network

Our sectors

We work with clients across the full spectrum of sectors. Drawing on our own deep experience in a wide range of industries and M&A, and by liaising with our PKF CF partners across the globe, we can deliver valuable advice to all clients, whatever the sector.

With many years of experience working across our sectors, we have a comprehensive understanding of changing industry legislation and regulations, allowing us to anticipate and address changing needs, as well as identify new opportunities.

Of course, over the years, we have developed deep specialisms in some sectors, leading the market in some which are set out below.

Whatever your sector, we have the knowledge and capability to identify and understand your needs and ambitions clearly – and to create innovative, tailor-made, commercial solutions to ensure you achieve them.

The capabilities and experience of the PKF network cover a wide range of industry sectors, including:

- Automotive
- Business services
- Construction
- Food and drink
- Foundations and charities
- Government and public sector
- Healthcare
- Hotels, tourism and leisure
- Insurance
- Manufacturing
- Mining
- Oil and gas
- Professional services
- Real estate
- Retail
- Technology, media and communications (TMC)
- Transport and logistics

PKF Smith Cooper specialist sectors:



Franchise



Food and drink



Self storage



Telecommunications



Fire and security



Automotive

HIGHLIGHTED DEALS



UK civil engineering designer and manufacturing company Wrekin Products Ltd has joined forces with France-based business Produits Industriels Lorrains (PIL) in an international deal led by PKF.

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

Founded over 40 years ago by the Turner family, Wrekin Products has experienced significant growth and commercial success. With Simon Turner and Stan Turner at the helm, the business has become a UK market leader and also expanded into various European markets including Ireland, Portugal and Belgium.

PKF Smith Cooper's corporate finance team advised the Turner family on their potential merger with PIL by developing a high-level understanding of both businesses, establishing a mutual business valuation model and by outlining

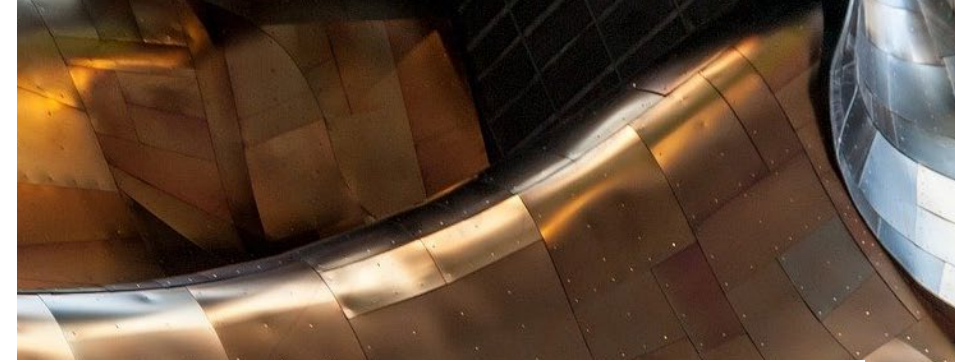
a framework of terms for the future management of the merged businesses. PKF also supported on tax structuring and the navigation of multi-jurisdictional legal and tax regimes.

PIL specialises in the design and distribution of cast iron covers and gratings for the public highway network in France. The organisation has strong links across Europe and Asia.

PIL has strong operational and cultural synergies with Wrekin Products. The deal will accelerate growth and support further expansion into Europe, with the combined entity hoping to become a leading pan-European supplier of iron products.

Both the Turner family and PIL shareholders are excited by the future growth prospects, with the Turner family maintaining an interest in the combined entity going forward.

The partner-led deal team from PKF consisted of Darren Hodson, Tom Joy, Joshua Gurton and taxation advice was provided by Adam Rollason.



"On behalf of my family and everyone at Wrekin Products, I would like to thank the corporate finance team at PKF for their invaluable help throughout this deal. They were able to utilise their international skills 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."

Simon Turner, Commercial Director at Wrekin Products



HIGHLIGHTED DEALS



The multi-award-winning Tahir Group has become the largest KFC operator in London after acquiring eight KFC restaurants, previously operated by the Barack Group of Companies, in a deal managed by franchise specialists at PKF.

Awarded KFC Franchisee of the year for the UK and Ireland in 2021 and 2022, the Tahir Group is a multi-brand franchised restaurant and property group based in London. The group has been established for over 45 years and as well as KFC, it also operates the GDK and Starbucks brands.

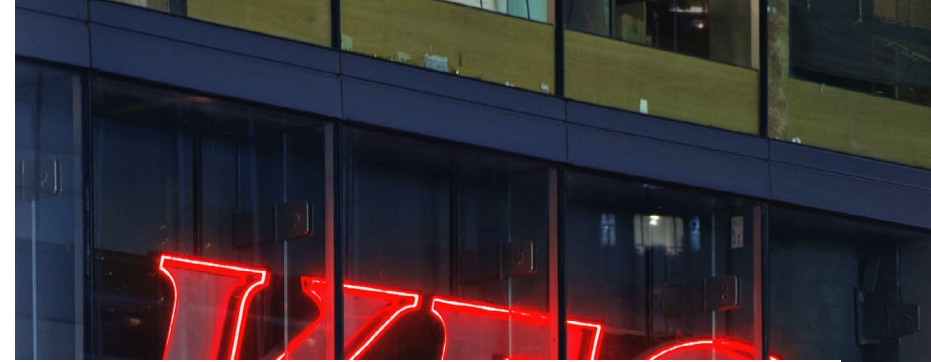
Following the recent acquisition, the Tahir Group operates 41 KFC restaurants across London and the Midlands, making it the largest KFC operator in London.

Fazan Tahir, the owner of Tahir Group, said: "Acquiring the Barack Group makes a lot of logistical sense for us, strengthening our London heartland. The Tahir team and I are delighted to welcome the Barack team onboard and look forward to working with them; our ethos is to place people at the heart of everything we do. Our growth comes through achieving success together

- by serving the communities we operate in through innovation, investing in people and delivering outstanding service to our customers."

The specialist franchise team of PKF Smith Cooper's Corporate Finance division, led by David Crump, advised the Tahir Group and project-managed the entire acquisition process. PKF Smith Cooper are leading UK advisers in the deal management of transactions in the franchise sector, having advised on over 80 franchise food and beverage assignments in the past 20 years.

Commenting on the transaction, David Crump, Corporate Finance Director at PKF Smith Cooper, stated: "It's been a pleasure advising the Tahir Group, which is a recurring client for us, and we are delighted the transaction has completed. We confidently expect the "Tahir magic" to embrace the acquired staff and restaurants, and that the enlarged group will continue to thrive and grow – whilst retaining its sector-leading quality."



"The acquisition was a challenging process that I couldn't have completed without the support and efforts of my team and advisers, PKF Smith Cooper, with whom I have worked on previous acquisitions; I contacted them at the outset of this process to once again secure their invaluable input, expert advice and deep sector knowledge"

**Fazan Tahir,
Owner of Tahir Group**



HIGHLIGHTED DEALS



Solihull-based Evac+Chair International Limited has partnered with Swedish company builder Systematic Growth in an international deal led by PKF. The deal will see Evac+Chair's managing director Gerard Wallace remain at the helm of the company.

Evac+Chair is a global manufacturer of evacuation chairs and critical care transfer solutions. As a company builder, Systematic Growth invests in companies with similar characteristics with the aim of creating market leading company groups.

After receiving several offers from interested parties, Evac+Chair appointed PKF Smith Cooper to support in assessing interest.

Our partner-led team consisted of Darren Hodson, Joshua Gurton, and Thomas Joy. Adam Rollason and Harry Cook assisted with tax advice for the vendors.

Gerard Wallace, Managing Director at Evac+Chair, commented: "Everyone at Evac+Chair is looking forward to this next

step in the company's journey, as we join forces with Systematic Growth and embark on future growth."

Darren Hodson, Corporate Finance Partner at PKF Smith Cooper, said: "I am really pleased that we were able to find the right buyer for Evac+Chair in Systematic Growth. The synergies between the two companies make it the perfect partnership and I wish both companies all the best for the future. What's more, this deal clearly demonstrates that there is still a global appetite to invest in the Midlands market and the confidence to do so. The demand from international investors will lead to more deals for local businesses in the future."

Evac was supported throughout the deal by Caroline Dodds, Principal from The CFO Centre.



"The expert advice and support we received from the PKF Smith Cooper corporate finance team was invaluable, and we could not have hoped for a better outcome. With their experience in building company groups, Systematic Growth is the ideal future home for Evac+Chair."

Gerard Wallace, Managing Director at Evac+Chair



HIGHLIGHTED DEALS



OLIVEHORSE

PKF has advised supply chain management consultancy firm Olivehorse on its sale to PwC.

Founded in 2012, Olivehorse provides end-to-end supply chain planning and management services to clients across SAP, Anaplan and Kinaxis. During FY21, the shareholders had received a number of approaches from blue chip multi-national organisations and decided to appoint PKF to support on the sale.

The deal was advised by Darren Hodson, Tom Joy and Joshua Gurton from PKF's Birmingham office, which operates as PKF Smith Cooper. In addition, Adam Rollason (Head of Transactions Tax) at PKF Smith Cooper provided sell side tax advice to Olivehorse and the shareholders.

Following a very competitive auction process, the preferred party was quickly identified as PwC, the acquisition strengthening PwC's supply chain

practice and bringing in 60 members of staff.

Fred Akuffo, co-founder and managing director of Olivehorse, said: "We are confident that through joining with PwC, we will be able to bring huge additional value to our clients and enhance the amazing offering PwC already has, through the addition of our talented people."











On leading the transaction, Darren Hodson commented "Working with Fred, Jim, Ben and the rest of the shareholders was an absolute pleasure from start to finish. We have great respect for the founders and the leading position within supply chain consulting they have built in Olivehorse over the past decade. We are thrilled for the founders and broader team in having found the ideal partner for the next stage of growth and are proud to be part of a transaction that has broken new ground for PwC"











"This was a really complex transaction, with multiple stakeholders, and lots of interested parties. Upon appointment, Darren and his team provided significant hands-on support, navigating us through all these complexities. Whilst doing this, PKF achieved a terrific result for us, and delivered us the right partner. I would not hesitate in recommending Darren and his team to any other vendor."

Fred Akuffo, Olivehorse Managing Director and Co-Founder

2022 deal summary

Client	Deal	Date
	Sale of Commercial Vehicle Hydraulics Limited to OMFB Spa PKF advised the vendor	Jan 22
	Lillicoco Limited raised development capital from Foresight Group PKF provided due diligence to the investor	Feb 22
 OLIVEHORSE	Sale of Olivehorse Consulting Services Ltd to PwC PKF advised the vendor	Jan 22
	Sale of an automotive manufacturing company PKF advised the vendor	Feb 22
	Sale of One Step By Step Limited, trading as North Hill Dental, to Dental Beauty Group Ltd PKF advised the vendor	Mar 22
	Acquisition of the landfill and gas generation business of Viridor Waste Management by Valencia Waste Management Ltd PKF advised the acquirer	Mar 22
	Sale of Gilbody Holdings Limited to Twigcrest Limited PKF advised the vendor	Apr 22

Client	Deal	Date
	Acquisition of Bakehouse Investments Limited by Bridgwater Brothers Limited PKF advised the acquirer	Apr 22
	MBO of Isle of Man accountancy and trust administration PKF provided due diligence to the funder	Apr 22
	Sale of J.H. Moore & Son (Rickmansworth) Limited to Cadence Sports Group Limited PKF facilitated the transaction	Apr 22
	Sale of Wrekin Holdings Limited to NextStone Capital/Produits Industriels Lorrains PKF advised the vendor	May 22
	Acquisition of SM Commercial Insurance Brokers Ltd by DCJ Group Insurance & Risk Management Ltd PKF advised the acquirer	May 22
	Sale of Red Diamond Distribution Limited to Mitsubishi Logisnext Europe B.V PKF advised the vendor	Jun 22
	Acquisition of L Clancey & Sons by Donald Ward Ltd PKF advised the acquirer	Jul 22
	Sale of Forest Park Hotel to Coaching Inn Group Ltd PKF advised the vendor	Jul 22
	Sale of The Moorland Hotel to Coaching Inn Group Ltd PKF advised the vendor	Aug 22
	Reorganisation of online training provider PKF advised the shareholders	Aug 22

Client	Deal	Date
 Finitor Wealth	Acquisition of Ascent Financial Consulting Ltd by Finitor Wealth Ltd PKF provided due diligence to the acquirer	Aug 22
 PKF SMITH COOPER	MBO of a food service provider to the takeaway industry PKF advised the vendor	Aug 22
 EVAC+CHAIR Emergency Evacuation For Everyone	Sale of Wensleydale W & G Limited to Salvatio Holding Limited PKF advised the vendor	Oct 22
 HYPERAMA WHOLESALE	Sale of Hyperama Peterborough Ltd to Holland Bazarr Limited PKF advised the vendor	Oct 22
 MIDDLEBROOK TRANSPORT LTD.	Sale of Middlebrook Holdings Limited to WS Shillings Group Limited PKF advised the vendor	Oct 22
 HYPERAMA WHOLESALE	Sale of Hyperama Nottingham and West Bromwich Ltd to Dhamicha Foods Limited PKF advised the vendor	Nov 22
 SLONEGEAR	Acquisition of Apex Tool Group UK Ltd by Sloane Gear International Inc PKF advised the acquirer	Nov 22
 DUKE ROYALTY	Duke Royalty financed New Path Fire and Security to acquire three companies PKF provided commercial diligence to the funder	Nov 22
 TAHIR GROUP	Acquisition of Barack Group of Companies by FT Foods Limited PKF advised the acquirer	Dec 22
 PKF SMITH COOPER	Acquisition of a chain of food retail outlets from the franchisor PKF provided funding assistance to the acquirer/franchisee	Dec 22

Our specialist advisory team

If you'd like further information regarding the contents of this document, or you'd like to find out more about how we can help you and your business, please get in touch with our team using the details below, or by visiting us online.

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