

CASE STUDY

Leading “Made to Measure” Shoe brand sold to Tnui Capital

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THE LEFT SHOE COMPANY

MADE TO MEASURE

The Left Shoe Company is a unique premium brand that combines technology with traditional craftsmanship to reinvent made to measure shoes for the 21st century man.

Each pair of shoes is personalised to the customer’s feet and style requirements using a unique 3D scanner that takes a perfect 360-degree picture of each foot, creating the most precise digital model possible and resulting in a highly accurate measurement.

Once scanned, customers can choose from a wide variety of designs, leathers and soles to create a unique shoe, knowing that each pair will be the best possible fit.

Normally, tailor made high quality shoes come at a high price, the delivery is around six months and the customer must revisit the shoemaker frequently. In contrast, LSC’s hand made shoes retailed at between £300 to £4,000 a pair and were delivered within 6 weeks.



Deal Summary

- 61 companies profiled and contacted
- 18 expressions of interest
- 3 potential acquirer meetings
- 2 offers received
- Deal completed in 3 months

The transaction

The company had its origins in 1998 in Finland and subsequently incorporated in the UK in 2014.

Towards the end of last year LSC’s shareholders approached Evolution CBS in order to explore the possibility of selling the business. The primary objective was to secure a new owner with the resources and infrastructure to grow the business further.

However, LSC subsequently decided to change its strategy and to seek Venture Capital funding in the USA.

Unfortunately, six months later, LSC’s quest for funding had failed to secure an investor. At this point LSC returned back to Evolution CBS in order to sell it as a going concern.

By this time the business was running out of cash fast.

With only a few weeks cash left in the business this became a “distressed” sale, rather than a normal trade sale. ECBS was, therefore, instructed to sell the business under its “Accelerated M&A” programme.



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Evolution CBS identified that, although the business had made regular losses over the years and cash flow was extremely tight, there was still inherent value in the business for an appropriate strategic purchaser.



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With this in mind Evolution CBS immediately commissioned a Patent Attorney to provide a comprehensive valuation report to support the sale process.

Evolution identified and contacted 61 prospective purchasers of which 18 expressed initial interest.

Following formal negotiation meetings with 3 companies, just 5 weeks into the process, 2 offers were received.

The successful bidder was Tnui Capital.

The word Tnui means "to the new" and summarises the company's ethos of enabling change and growth through the provision of hands-on expertise and capital.

Tnui had two other shoe businesses in its investment portfolio, both of which had strong trading synergies with LSC.

Of particular importance to the purchaser were the 3D graphic scanners and the high net worth profile of the client base, as we had identified.

Despite reaching agreement so quickly complex deal and legal re-structuring meant that the deal was concluded in four months, not the two months that we had anticipated.

However, Evolution continued to drive progress, without any additional fees, to ensure a successful outcome.

The sale of this company not only maintained LSC's market brand and reputation; several jobs at home and abroad were preserved and key/primary debts of the business were also renegotiated and honoured by the new owner.

We hope that, under its new ownership, this innovative British brand will flourish and wish it every success.



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