



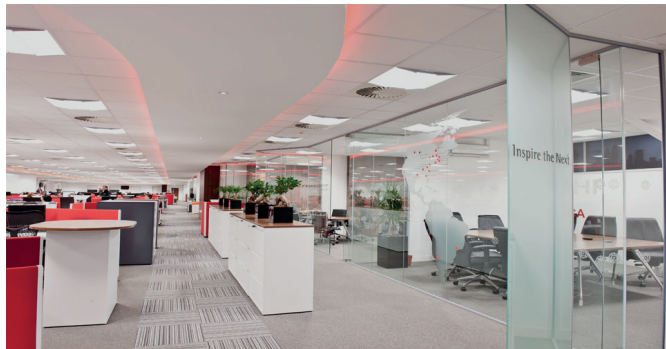
Established Commercial Refit company sold to a Private Investor

Our first meeting with Leon Summers, CEO of Commercial Refurbishment and Refit company Bromarpeak Ltd, was at one of our Masterclass events. Having run the company for more than 30 years, Leon had gradually reduced his involvement in the business, leaving the day to day operations to his management team. He had already decided that he did not want to make further investments in order to grow the business; it was profitable and he was happy to keep it “ticking over”.

On the advice of his Accountants Leon came to the Masterclass to find out what was involved in selling a business where he to decide that exit was the right path to take. As we advise all our clients, ultimately you don't have to sell. There are other options, such as those our client had chosen.

However, fate intervened and personal circumstances caused Leon to change his mind about keeping the business. Leon contacted Evolution CBS and, following a detailed review of the business and of his personal objectives, Evolution were appointed to handle the sale.

Our Client wanted to ensure continuity of employment for his staff and also to feel that the business he had built would be able to grow under its new owners.



STATS

211

Companies Profiled
and Contacted

5

Potential Acquirer Meetings

3

Offers Received



Challenging times on the road to success

Bromarpeak had a strong client base in both public and corporate sectors, with a 70% repeat business rate underlining its reputation for quality and value.

The business had originally provided partitioning and suspended ceilings but as the business grew it introduced a range of “value-added” services. Consequently, it had the flexibility and experience to take on a wide range of project sizes from single rooms right through to full one-stop shop solutions for entire suites and buildings.

This expanded its client base to include major construction and facilities management companies. However, this sector of the industry was badly affected by the recession and its recovery was both slow and erratic. With new business sales in the doldrums, Bromarpeak introduced new services that delivered regular recurring revenues. Consequently the company was able to show a small but consistent growth in profit.

Nevertheless, finding a buyer in this sector was always going to be a challenge and both Evolution and Leon were prepared for a long sales cycle. Following an in depth review of the business, the Evolution team, under the direction of James Monjack, began the process of marketing Bromarpeak for sale.

A strategic buyer profile was created, from which our researchers compiled a list of potential acquirers. Our calling team then commenced the process of contacting each company, speaking with the responsible director and promoting the strategic value an acquisition of our client’s business would generate.

As anticipated, the deep recession in the industry resulted in low levels of initial interest. Nevertheless, after several months, we had met with 4 potential acquirers and 2 offers had been received. However, the structure of both potential deals were unacceptable to our Client. Regular monthly reporting, against agreed Performance Indicators, is an important part of the service Evolution provides to all clients.

Having received 2 offers, and with some significant personal deadlines looming, Leon and James met to review progress and discuss whether to put the

project on temporary hold or to continue marketing it. It was agreed that Evolution would continue to market the business and an additional research project would be conducted to identify more potential buyers. By the end of this project, Evolution had contacted 211 companies—probably the largest number of any project.

At the end of 2013, more than a year after the project commenced, an offer was received from a private investor. The bidder, a first-time business buyer, had experience in the industry and had been looking for an acquisition that had a skilled and experienced team and a strong client base. As a first time buyer, this required Evolution to provide unusually high levels of support to the buyer, who was funding the purchase from personal resources, in order to agree a deal structure that would be acceptable to both seller and buyer.

The deal structure was complicated and took several weeks to construct. At the same time, our client’s personal commitments meant that he would not be available to conclude the transaction in the agreed timeframe. In order to resolve the issue, Leon gave Power of Attorney to his lawyer so that the deal could be completed in his absence. A successful outcome for both parties.

“I believe Evolution CBS identified an ideal acquirer who will continue to build the company and maintain the considerable skills of its employees”

The best transactions are those where both parties benefit from the deal. In this case, our Client wanted to ensure continuity of employment for his staff and also to feel that the business he had built would be able to grow under its new owners. The buyer found the ideal combination of location, skills and client base on which to build his new company.

Within weeks of the conclusion of the transaction, the company had won its first major order. As for our Client, he and his wife are enjoying the first of many long holidays.

