



Backline is a specialist employment agency, with deep expertise and experience in the transport and logistics sector. From its origins, in 1999, the Company had established a reputation for supplying high quality temporary staff to a number of prominent national and local customers.

The company, a leading player in the South West with c50% regional market share, had an active client base of more than 320 companies in the retail, haulage and logistics sectors and has long-term framework agreements in place with several major clients.

Augmenting its recruitment services, Backline had a large outbase facility enabling it to provide secure parking and warehousing for client vehicles and stock.

The Shareholders, David Scanlan and his wife, had established a competent and talented senior management team, who were responsible for the day to day business operation which increased the company's attractiveness to prospective purchasers.

The reason for sale was that our clients wanted to retire and were looking for a straightforward sale process that delivered an attractive price and one that recognised all of the years of "blood, sweat and tears" involved in growing a successful business.

Following a referral from one of our IFA partners, Dave Scanlan met our CEO, Rob Goddard and revealed that he had already received an offer for his business but had been recommended to speak with Evolution to establish if this offer was a good one and whether it could be improved.



STATS

70

Companies Profiled
and Contacted

3

Potential Investor Meetings

3

Offers Received



Our CEO, Rob Goddard, undertook an analysis of the offer and of the Backline business model. He determined that the current offer was very much on the low side and that a full approach to the market would be highly likely to generate alternative and improved offers, not only in terms of headline price, but also deal structure terms.

This surprised our client because he said in had been in the logistics industry for decades and had been told that businesses would never be value more than 3 times net profit.

It was made clear that there could be no guarantees, but there is only one way to establish an open market value, and that is to go to market!

According to the Portsmouth Business School, the sale price of a business can be increased by up to 30% simply by creating competitive tension in the sale process.

This is certainly Evolution's experience over many years of selling businesses in a broad range of industry sectors.

The transaction

Evolution was instructed to conduct a full sale service to generate other offers for the Backline business.

In total, Evolution identified and approached 74 potential strategic acquirers for Backline, 3 of which came to the negotiating table, generating 3 offers, which were all declined. Evolution then went back to the bidders with commercially reasoned arguments as to why they should pay more.

After many months of negotiation Evolution achieved a business sale price which was 52% more than that originally provided prior to Evolution undertaking the sale process. As an added bonus, the amount offered was all cash on completion. No earn-out, no long term structured deal, which meant our clients could retire as planned because of a clean and uncomplicated deal.

The whole process to 11 months to complete and Backline was sold to Strategic Workforce Solutions Group Ltd, a £300m turnover national business within the same sector as our client. SWS Group did have coverage in the South West, but not extensive and so the acquisition of Backline reinforced their regional presence and dominance.

For our Client the deal represented a 53% uplift in value above his aspirational price.

“The sale price of a business can be increased by up to 30% simply by creating competitive tension in the sale process. “

Portsmouth Business School



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Phone: +44 (0) 118 959 8224 | Web: www.evolutioncbs.co.uk | E-mail: info@evolutioncbs.co.uk

Asmec Centre, Merlin House, Brunel Road, Theale, Berkshire RG7 4AB