

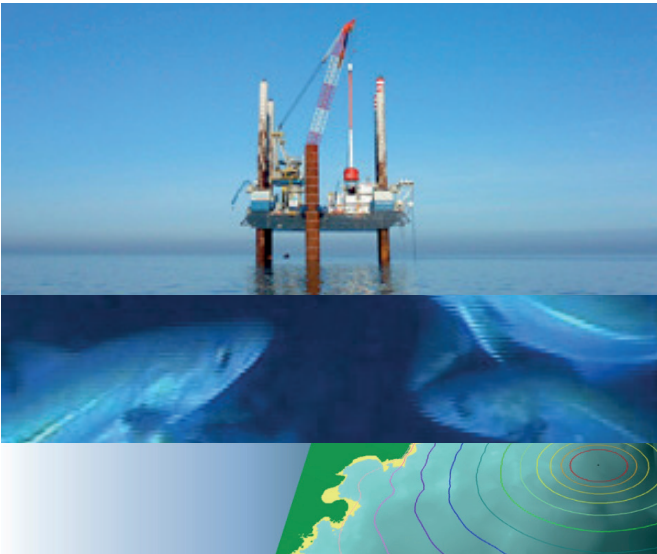


Environmental Consultancy, sold to Benthic Solutions

Our Client, SubAcoustech Environmental Limited, specialised in researching and measuring the impact of underwater noise. The company was founded in 2008 by Dr. Jeremy Nedwell, a former Admiralty Lecturer in Underwater Acoustics, to provide research and consultancy relating to the effects of noise on the marine environment. It was highly regarded in the industry and recognised by the regulatory bodies.

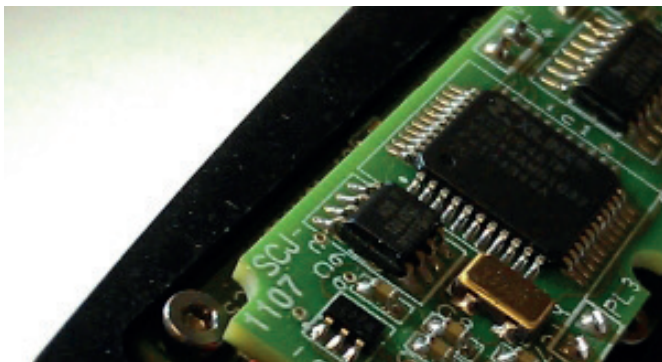
SubAcoustech's services enabled its clients to address compliance issues and obtain the necessary Development Consents for their projects. To support its research and consultancy projects, the Company had created a suite of software for measurement acquisition, analysis and modelling. It had also amassed a significant amount of research and measurement data, creating valuable intellectual property for future work in this growing sector.

However, running a growing business was causing a conflict for its owner whose main interests were in inventing and innovating. After much soul-searching, Dr. Nedwell concluded that in order for SubAcoustech Environmental to fulfil its potential it would benefit from new ownership that would expand its UK presence and develop its international growth potential.



"Thanks to the Evolution CBS team for achieving a successful sale. For me the structure of the deal was extremely important and your persistence was appreciated. I am delighted with the result."

Dr. Jeremy Nedwell



STATS

110

Companies Profiled
and Contacted

4

Potential Acquirer Meetings

4

Offers Received



The transaction

Having considered a number of sales advisors, Dr. Nedwell appointed Evolution CBS to handle the disposal of his business.

As with most business owners, our Client was concerned for the security of his key staff.

But he also needed any deal to exclude his remaining in the business post sale. This was especially important for him as he wanted to be free to concentrate on developing new technology in the field of underwater acoustics.

With niche companies, particularly consultancies, buyers usually want to retain the services of key consultants for at least a transitional period.

Our Client achieved the terms he had wanted. He was able to leave the business on completion with no earn-out or deferred payment.

So for Deal Leader, James Monjack and his team, the challenge was to identify strategic buyers with sufficient resources not to need Dr. Nedwell to remain in the business — no mean feat!

It's vital to fully assess potential buyers

Within two months, Evolution had completed a detailed profiling of potential acquirers and, when the company went to market, our Business Development Team contacted 110 company owners.

Our marketing "teaser" generated a lot of interest with more than 30 Information Memoranda being sent. As we had expected, several interested parties decided not to proceed because there would be no period of transition between owners.

However, our team believed that there was one company who would be an ideal acquirer. It took 15 telephone calls and as many emails to arrange a meeting. At the end of the marketing stage of the process we had 4 serious buyers with competitive bids.

At the end of the initial negotiation process, 2 buyers remained. Both companies offered enhanced prospects for our Client's staff. Both companies had agreed to the deal structure our Client required.

At this stage of the sale process the experience of the advisory team can have a huge influence on the result of negotiations. It is vitally important that the seller and his advisors have fully assessed each potential buyer — not just in financial terms.

In this case, one company was much larger and had a complex acquisition procedure which made it difficult for them to respond quickly. Our assessment was that the larger company was unlikely to meet the completion timescales and we advised our Client accordingly.

The successful bidder was Benthic Solutions, a company with a similar vision and a set of complementary services.

There was considerable synergy between the two companies and the acquisition of SubAcoustech provides Benthic with enhanced technical capability and, of course, a larger client base, providing for cross-selling of services to deliver growth.

Our Client achieved the terms he had wanted. He was able to leave the business on completion with no earn-out or deferred payment and his key staff had secure employment with a company that shared their environmental vision.

