

## INVESTACAST

Investacast is a design-led precision manufacturing company with extensive expertise in Investment Casting, Pressure Die Casting and Forgings.

With over 40 years of market expertise and extensive capability in ferrous, non-ferrous and aerospace grade alloys, the Company supplied a range of industries including Aerospace, Semi-Conductor, Safety and Automotive.



Its unique combination of skilled British craftsmanship and engineering expertise had earned the Company an excellent reputation amongst its extensive international client base. This is a major contributing factor to its exceptional repeat business rate.

Demonstrating consistent profitability and offering significant growth potential, Investacast presented a solid base for an acquirer to progress the business to further global growth.

The Company was run by two of its shareholders, Tony Buckland and Chris Thompson. Having successfully grown the business they were considering options to develop the business further in its “step change” growth cycle. They concluded that Investacast would benefit greatly from new owners possessing a strong infrastructure and expertise on the international platform.

Seeking professional advice on selling the business, they contacted Evolution CBS and met up with CEO, Rob Goddard, to discuss their options and get a formal business valuation.

### STATS

121

**Companies Profiled  
and Contacted**

5

**Potential Investor Meetings**

4

**Offers Received**

After careful consideration, the shareholders made the decision to sell the business and instructed Evolution CBS to conduct the sale.

### Pre-Market Preparation

Our preparation phase is a crucial part of the business sale process. A good M&A adviser has to develop a deep understanding of a client's business and also of the existing shareholders' hopes and plans for themselves and the business once the sale has concluded.

This begins with a detailed Discovery Meeting which examines, in detail, the financial, commercial and organisational aspects of the business. On the basis of our findings we then create the marketing collateral and begin the research to identify potential acquirers.

In this case we identified and profiled 121 companies for whom this acquisition would be commercially attractive.

Once the marketing documents and target list were approved by our clients, we began the next stage of the process which involves speaking with the CEO, CFO or M&A Director of the target companies.

### The At-Market Stage

There was a great deal of interest in Investacast, not only from the target list but from Evolution's professional partners, comprising private banks, private equity firms, large accountancy practices and commercial law firms.

In total 64 companies, from the UK and overseas, received the Information Memorandum.

Following initial discussions with these parties, we had exploratory meetings with 5 companies.

After further discussions and meetings we received firm offers from 4.

### Competitive Tension

Having 4 comparable offers for the business meant that our clients had to consider not just the price (and they were all in the same range) but the structure of the transaction.

Both shareholders had indicated a willingness to remain in the business post-sale, for a transitional period but were keen to achieve the majority of the consideration upfront.

The shareholders decided not to proceed with 2 of the bids, leaving 2 bidders in the running.

One company was a large plc operating in a complementary sector; the other was a private investor looking to create a new manufacturing group.

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**“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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### A Successful Conclusion

The successful bidder was the private investor. The deal structure was attractive to our clients who were also invited to become shareholders in the new company going forward.

Throughout the due diligence process the shareholders maintained their focus on the business ensuring that their forecasts were achieved.

The transaction completed in March, just over a year after the sale process began, achieving a 62% uplift in value against our Clients' aspirational price.

