

SONNOX LTD

EvolutionCBS advised the shareholders of Sonnox Ltd on its sale to Focusrite plc

Sonnox is one of the most established and recognised brands in the audio industry. Its range of innovative, high quality, award-winning processing software has earned the highest reputation amongst audio professionals.

Its software is used in an extraordinary range of audio applications including mixing for music production, live sound, broadcast, TV & Film, and even scientific and forensics projects.

Based near Oxford, the Sonnox brand is well-established and acclaimed in the global audio industry.

Its range of innovative, high quality, award-winning processing software is used in a wide range of audio applications including mixing for music production, live sound, broadcast, TV & Film, and even scientific and forensics projects.

The business had a robust organisational structure, headed up by a vastly experienced senior management team which runs the operational aspects of the business.

From the very outset of his conversations with EvolutionCBS, Sonnox Founder and sole shareholder Rod Densham was clear regarding his 'triple objectives' for any successful Project.

There were:

1) To secure the future for the Sonnox Company and its world renowned reputation and brand;

- 2) To protect the livelihoods and careers of his long established and loyal Senior Leadership Team and employees;
- 3) To enable him to start contemplating the time when he would be able to stand back from the day to day of running the business – but still continue to make a meaningful contribution to the sector he knew and loved so well because in his words “he wasn’t sure he was ready to hang his boots up just yet!”.

Following a detailed Discovery Meeting with our Clients, and an in-depth financial analysis of the business, the EvolutionCBS team prepared the Information Memorandum and a tightly profiled list of 109 potential buyers and investors comprising strategic and financial buyers. 65% of the target companies were international businesses with acquisition history.

There was serious interest from both the Americas and from across multiple 'suitors' within mainland Europe, with 43 companies receiving the Information Memorandum and 17 companies entering into formal discussions.

As the campaign progressed, and with 9 formal expressions of interest – all from trade buyers – we requested 'Best and Final Offers' which resulted in 3 offers received that were acceptable to our Client.

A key factor in choosing between these 3 excellent buyers was the concerns expressed from the outset by Rod to ensure the collective futures of the business, its management team and his staff would be assured by the buyer.

Rod himself also remained clear that he was open to continue making a contribution until the time came for him to fully leave and “finally hang his boots up!”.

CASE STUDY

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Ultimately, the successful bidder was Focusrite, a publicly listed global music and audio products group supplying hardware and software used by professional and amateur musicians and the entertainment industry. There was significant and powerful synergies between the two businesses.

The acquisition would add audio software to Focusrite's growing portfolio, specifically complementing its existing offerings in the recording space, and aligned with its previously communicated strategic aims of growing the core customer base, expanding into new markets, and increasing lifetime value for its customers.

Rod Densham, Owner of Sonnox commented: *"Sonnox is in a strong financial position, expanding our customer base and consistently delivering profit. We believe that by joining Focusrite with their scale, industry expertise and range of premium brands, we can continue to grow, and deliver innovation and excellence to current and future customers alike. Focusrite have a proven track record of achieving this in our industry, and we are very excited to become part of their Group."*

Concluding this £9.1m transaction, Focusrite plc's CEO, Tim Carroll, said *"This is our first acquisition in the audio software market... we are all excited about the opportunities and possibilities that lie ahead with the collective expertise of our combined sales and R&D teams."*

Our Senior Client Director, Steve Barry, commented: *"For Rod and his team, it enables them to move forward with global backing as they continue to develop the world famous Sonnox brand – which was always the most powerful driver at the heart of his thinking – whilst personally giving him the opportunity to unlock the value created in the business over so many years."*

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EvolutionCBS is a long-established, premium provider of business sale advisory services with an enviable track record of international transactions. We work with the owners of UK businesses in any sector and any region, finding buyers from around the world through highly targeted research and supporting our Clients with dedicated Director-led teams, at every stage of their journey to a successful sale.