

The objective of this case study is to illustrate a typical disposal transaction

On appointment, we would agree with you a tailored transaction process designed for your individual situation

Typically we transact deals between £1-100 million for owner managed businesses, corporates and financial institutions. Although, we have completed larger and smaller deals

UK based we have completed deals for clients and with counter parties located in the EU, Asia & the Americas

*We look forward to working with you. For further information please call your local partner, details below.*

## CASE STUDY: Disposal

Curt Falk, Managing Director and owner of Gartec Ltd, one of the UK's leading supplier of disabled lifts, was made an offer for his business by a global lift manufacturer ("Global"). Curt had plenty of experience in selling and negotiating but for this sale was persuaded to seek the advice of a professional.

HW Corporate Finance immediately implemented its bespoke disposal process, rapidly putting together an Information Memorandum, used its comparable transactions database to make an assessment of Gartec's market value, and identified other potential buyers.

HW Corporate Finance wrote the Information Memorandum as it is a critical part of the disposal process. It helps maintain control and communicates key messages to the buyer:

- it highlights the strengths and potential of the business to the buyer and also presents its weaknesses in a positive light, this ensures that there are no surprises or price chips during due diligence;

- it generates competitive tension in the buyer as it shows them you maybe or indeed are contacting a number of other parties;
- it increases the value of the business by demonstrating specific synergies for individual buyers;
- auctions are better controlled, with all bids made on the same information;
- with you being professionally advised the buyer puts a higher value on the transaction; and
- it brings the workload forward so that critically Curt was not distracted from driving his business and could think clearly when the negotiations were under way.

HW Corporate Finance went back to Global with the Information Memorandum. They improved their offer but negotiations over the level of working capital indicated a lower real valuation of the business. Confident that they could achieve a better deal for Curt the partner on the deal persuaded Curt to say 'No' and open the process to other parties. Using strict confidentiality agreements they engaged selected trade buyers. Curt enjoyed running his business and 'equity release' with a Private Equity house would give him the opportunity of a staged withdrawal over time.

Curt received a number of offers and after negotiations accepted the bid from Aritco, itself a well funded private equity backed business. Aritco employed an integrated business model in other countries and not only had significant synergies with Gartec but also risked losing their biggest distributor, if a business like Global was the acquirer.

Their offer was over twice Global's original bid. The deal moved smoothly through financial due diligence and the day came when all parties gathered in the lawyer's board room for completion. At this point Curt decided he was not ready to sell. He thanked us, paid us for the work we had done and walked away.

Three months later, he signed the deal. It gave him what he wanted: a significant cash payment; an equity stake in the combined business and a position on the board. After the deal Curt said of HW Corporate Finance:

*“We could not have done the deal without you.”*

HW Corporate Finance has completed a number of other disposals including:

- The disposal of CD Jordan & Sons Ltd to European Metal Recycling Plc;
- The disposal of ETC Solutions to AiM listed Touchstone Group Plc;
- The disposal of Howies Ltd to US listed Timberland Inc;
- The disposal of Printware Ltd to The Danwood Group; and
- The disposal of Compressor Products International Ltd to US listed Enpro Inc.

---

South East	-	Charles Whelan	07733 003 487	South West & Wales	-	Adrian Godfrey	07710 158 371
London	-	Richard Hall	07960 126 559	Midlands	-	Alan Gardner	01902 793 333
North East	-	Chris Scott	07836 288 823	North West	-	Sean Moriarty	0161 819 6843
Yorkshire	-	Miles Stanyard	0113 398 1100	Scotland	-	Richard Gibson	07712 880 164