



PKF
Smith Cooper

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Issue 44

Deal Dispatch

Our regular deal round-up

Market overview

In our last Deal Dispatch in July, our focus was on our new government and how this would impact the economy and deal flow. I write this as we come off the back of Rachel Reeves' first Budget. Somewhat inspiring as our first female Chancellor of the Exchequer who delivered the Autumn Budget with a degree of confidence. However, the full impact of her changes is yet to be seen. The biggest hit to business was, no doubt, the 1.2 percentage point rise in Employers' NIC coupled with a reduction in the threshold, together with the 6.7% increase in National Living Wage. Some larger companies are already talking about the need for redundancies in order to mitigate increasing costs that can't be passed on.

As deals were being rushed over the line before midnight on 29th October, with the focus of the M&A community very much on increases in CGT, the business world was preparing for the wider implications of the Budget the following day. The impact of the above changes along with the immediate four-percentage point rise in higher rate CGT will have some impact on net value at the time of exit.

All of this being said, our deal flow for the next few months leads us to believe that the M&A market is going to continue to be active. The CGT rise was not as high as expected but there is a fear among shareholders of further rises in the coming years,

and along with the change in Business Asset Disposal Relief from next April, they are starting to think a little earlier about exit, if they hadn't before.

As always, our Deal Dispatch highlights some of the key deals that we have transacted in the past few months. These are good examples of the continuing quality of deals in our pipeline where we are seeing a lot more interest from private equity and family offices, and overseas acquirers for strong performing, niche businesses. The acquisition of St. Andrew's College Language Schools by Trinity International Education is a great example of a transaction in the wider education and learning space which is a very interesting sector for acquirers and investors.

As we get closer to the end of the year, the team, which has increased by four new members in the past three months, is busy transacting deals across sectors including education, food and beverage, tech, self-storage, engineering and professional services. We look forward to progressing these in the coming months.



Claire Spencer
Corporate Finance Partner

Deal summary



Sale of ASG Group to Beach Equity Investors backed Pendine Group

PKF advised the seller



Sale of Spraylat International to Bergman & Beving

PKF advised the seller



Acquisition of St. Andrew's College Language Schools by Trinity International Education

PKF advised the acquiror

Sale of ASG Group to Beach Equity Investors backed Pendine Group

Derby-based ASG Group, a leading automotive aftermarket group, has been sold to Pendine Group, backed by Beach Equity Investors, in a deal managed by PKF Smith Cooper Corporate Finance.

ASG Group is a world-class organisation specialising in high-quality design, development, engineering and manufacturing of aftermarket vehicle accessories, which it supplies to global OEMs, trade customers and direct to the consumer under its market-leading, proprietary brand, Travall.

In addition to the B2C customer base, the Group continues to attract major clients from the automotive and industrial sector. It maintains its market position through investment in highly skilled teams and the latest manufacturing technology.

ASG's trading roots go back to the 1950s when it was known as Alan Smith Garages. Retiring Chairman Peter Allman acquired Alan Smith Garages in 1987, renamed it ASG and began developing a comprehensive portfolio of automotive accessories, culminating in the market-leading business that appealed to Pendine.

The deal followed a decision by principal shareholders, who are now in their mid-80s, to secure their retirement plans and crystallise their investment in the Group.

PKF Smith Cooper Corporate Finance was appointed to provide pre-sale strategic advice on preparing the business for sale, identify buyers and project-manage the deal from inception to completion.

The sell-side advisory team was led by David Crump, Corporate Finance Director at PKF Smith Cooper.

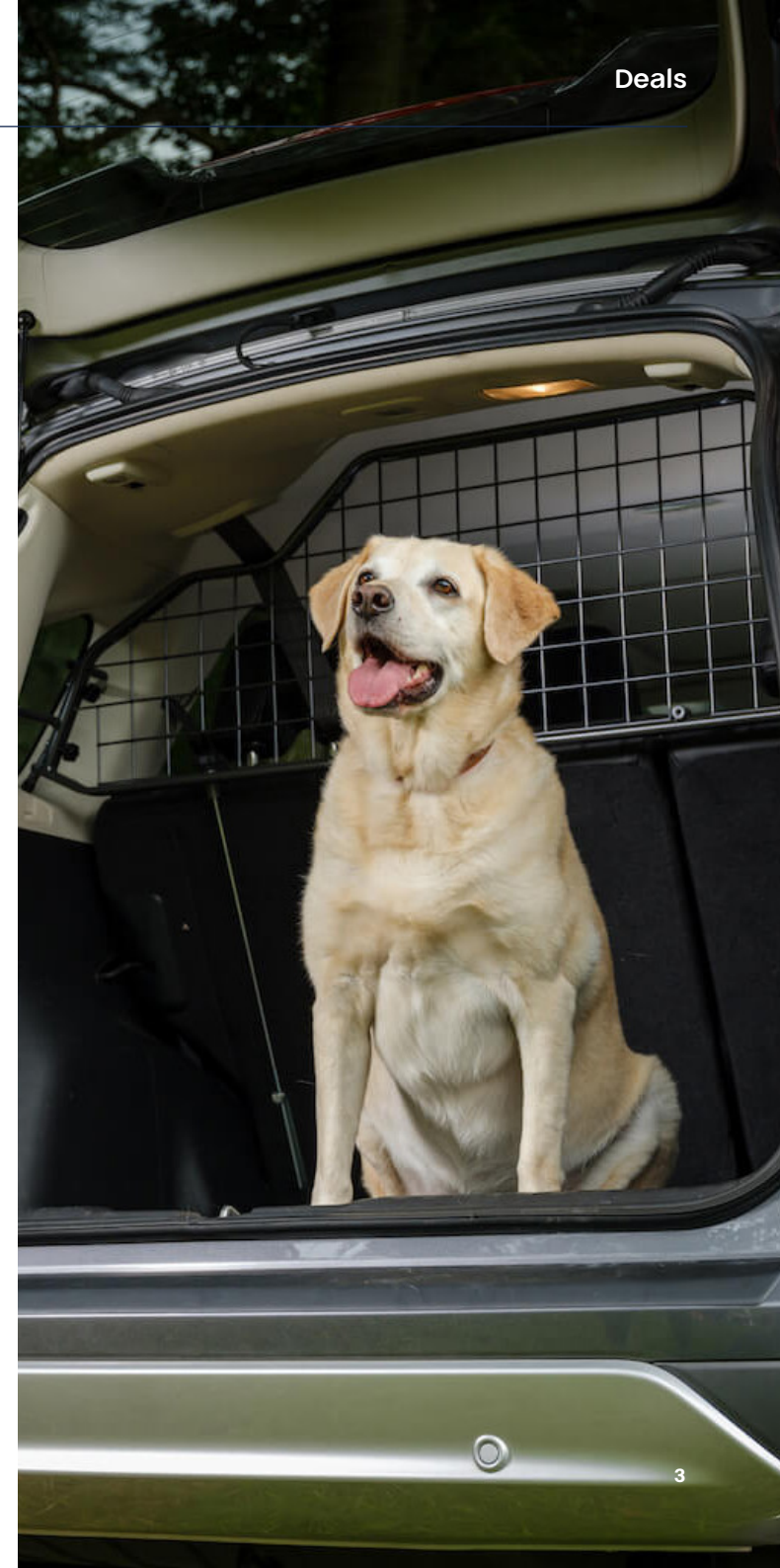
David Crump said: "It's been a privilege to work with the Allman family, and very rewarding to complete this transaction to help them achieve their objectives. We have also enjoyed working with Tom and the Beach Equity team to deliver a great deal for both the buyer and sellers and we look forward to seeing the ASG Group flourish under new ownership."

Bruce Allman, who will continue in his role as ASG's managing director, commented: "Together with PKF Smith Cooper, we searched long and hard to find suitable new owners and believe we have made the correct decision to ensure stability and the continued success of the Group, as well as set it up for long term growth.

I look forward to seeing ASG Group's ongoing success as it continues to supply market-leading products to the automotive aftermarket with the same dedication to innovative engineering and high-quality British manufacturing as it always has.

We couldn't have achieved the sale without the invaluable support of the PKF Smith Cooper team who guided us through the entire process and were instrumental in closing the deal."

Tom Billings, Managing Partner of Beach Equity, said: "ASG will make a great addition to the Pendine Group. We would like to thank David and PKF for their support enabling a quick and efficient transaction."



Sale of Spraylat International to Bergman & Beving

PKF Smith Cooper advised the sellers on the cross-border sale of Spraylat International to Bergman & Beving (“B&B”) in the fourth deal in three months for our award-winning advisory team.

Spraylat is a manufacturer and distributor of temporary protective peelable coatings across a range of sectors. The company manufactures and sells temporary protective peelable coatings for windows primarily in new constructions and renovations. Half of Spraylat’s turnover is generated in the UK, where the company is market leader, and the remaining sales take place worldwide. The company is located in Corby, Northamptonshire.

A partner-led advisory team from PKF Smith Cooper Corporate Finance consisting of Darren Hodson and Lauryn Mayson provided sell-side advice to the shareholders.

The PKF team led a full sales process, identifying B&B as a suitable buyer for the business. B&B is a Swedish public company comprising approximately 30 companies generating a total revenue of £375 million in 25 countries across the globe. The board of B&B view Spraylat as having good growth opportunities and strong “technical know-how”. Spraylat will be part of the Division Core Solutions.

Darren Hodson, Corporate Finance Partner at PKF Smith Cooper, commented: “Spraylat has developed innovative products that have world-wide relevance. The deal with Bergman & Beving will secure investment into the business that will ultimately drive further growth. It’s great to see Midlands businesses continuing to secure international investment.”

Andrew Keir, Managing Director of Spraylat International Limited, commented:



“Darren and his team were excellent throughout the deal, helping us identify Bergman & Beving as the right partner, and supported us each step of the way to navigate this complicated cross-border deal. They provided invaluable insights throughout the deal.”



Trinity International Education acquired St. Andrew's College Language Schools

Trinity International Education, a subsidiary of Trinity ViaggiStudio Srl, a tour operator specialised in organising travel and study abroad vacations, completed the acquisition of St. Andrew's College Language Schools, a Scottish company specialising in summer camps and cultural programs that operates 18 centres in the United Kingdom (10 in England and 8 in Scotland).

Trinity ViaggiStudio has been in the market for more than 25 years and boasts an internationally recognised brand thanks to an excellent and effective operational organisation and the quality of the products offered. The Group has grown over the years to become one of the most recognised study vacation tour operators in Italy. The Group has been able to expand in Italy by opening an office in Rome in 2011 and started a process of internationalisation by opening Trinity International Education in 2012 and a subsidiary in New York in 2022.

Trinity's offering caters to students as well as adults and professionals, ensuring a different experience across age groups and types of educational pathways. The range of programs offered by Trinity guarantees the best offer for every need: study trips for students, language courses abroad, language internships and work experience for academics, teachers and professionals.

With this transaction, the Group strengthens its market presence and further expands the range of summer camp programs offered. The two companies will retain their brand identities and management teams that will combine their expertise to best meet the needs of their clients.

Trinity International Education was assisted by PKF Smith Cooper, which performed the financial and tax due diligence and acted as financial advisor.



Contact our experts

As part of one of the Midlands' leading firms of multi-disciplinary accountants and business advisors, we mainly operate across key geographies in Derby, Nottingham and Birmingham, but UK-wide in our specialisms.

Highly-skilled and formally recognised, our specialist teams work alongside clients to gain a deep understanding of their business and objectives to deliver world class solutions meeting those objectives.

If you'd like further information regarding the contents of this document, or you'd like to find out more about how we can help you and your business, please get in touch with our team or visit us online.



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right people
right size
right solutions

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