

PROFESSIONAL LIVERPOOL

Corporate Finance Annual Review 2016

Professional Liverpool, in association with Experian MarketIQ, is pleased to present you with the Corporate Finance Review for the whole of 2016. The aim of this publication is to provide you with a keen insight into the mechanisms of Liverpool's corporate finance market. Rather than simply looking at the deals done in Liverpool, we take a different angle, examining instead those deals that Liverpool-based advisors have worked on, irrespective of the location of the parties to the transaction. We believe that this approach provides a unique and informative perspective on the corporate finance market as well as a detailed view of the true reach of Liverpool's advisory community. We hope you enjoy reading this publication, and we welcome your feedback.

PROFESSIONAL LIVERPOOL

About Professional Liverpool

The aim of Professional Liverpool is to promote professional excellence in Liverpool and the surrounding region, thus maintaining and enhancing the image of the professional community as a whole and Liverpool's reputation as a financial centre. It also aims to enhance opportunities for its members to develop networks and to assist in the economic development of Merseyside and the North West as a whole.

The strength and depth of Liverpool's professional services have for generations been cornerstones of the region's economy. Today, more than 2,500 businesses employing over 35,000 qualified professionals - from accountants, actuaries and architects to solicitors, stockbrokers and surveyors - contribute their wide range of skills to a dynamic, thriving city region.

Professional Liverpool provides a forum to promote the range of professional excellence in Liverpool and the surrounding region, thus maintaining and enhancing the image of the professional community as a whole and Liverpool's reputation as a financial centre. It also aims to enhance opportunities for its members to develop their networks and to assist in the economic development of the North West of England.

Liverpool's strong maritime tradition, allied to emerging niche markets in digital technologies, media enterprise and the cultural sector, gives rise to a wide range of professional expertise, which continues to evolve and develop.

Membership of Professional Liverpool is open to individuals, firms and companies who provide professionally qualified services in Merseyside and its surrounding area, or those committed to supporting Professional Liverpool's aims and objectives.

For more information visit <http://www.professionalliverpool.com>



About Experian MarketIQ

Experian MarketIQ combines a premium global database of mergers and acquisitions data with easy access to filed information on all UK companies. The full range of data can be subject to detailed and flexible analysis to put you firmly at the centre of the information gathering process.

Experian MarketIQ maintains a UK business database comprising the most extensive, up to date and accurate source of verified business intelligence, industry news, deal rumours and company financial information in the UK.

For more information, visit www.experian.co.uk/marketiq

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Key findings - Volume and Value of Liverpool Based Advisor Transactions

During 2016, Liverpool based advisors acted on 72 transactions, with an aggregate value of £342m. This was a 17% fall from the 87 deals during 2015. There was a large fall in deal values, however this was caused by the presence of the CRH Plc acquisition of certain assets of Holcim and Lafarge for £5.6bn, if this deal value is removed, there was a 13% decline in values.

The below graph, which does not include the CRH Plc deal, shows deal volumes were relatively consistent with the levels they have been in the years since the financial crisis. Deal volumes were greater in the first half of the year, with deal values consistent with years that have not seen a high value transaction.

The largest deal of the year was Johnson Service Group's acquisition of Portgrade for £52.6m, which saw advisers from the Liverpool office of Hill Dickinson, Mitchell Charlesworth and Weightmans work on the deal. In total, there were 11 deals with a value of greater than £10m, this was only a slight decline on the 13 on the previous year.

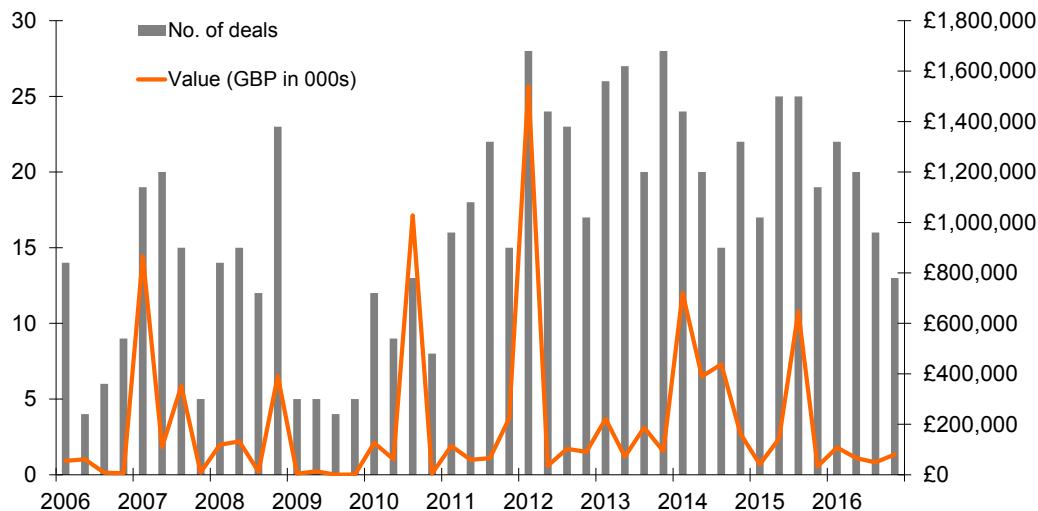
Private equity deals have followed a similar trend to the rest of the country, with volumes increasing to levels higher than before 2008, but values well below, as private equity firms appear to prefer making smaller and more frequent deals.

There was a slight drop off in deal activity in the second half of 2016, potentially caused by the Brexit vote, however the busiest month in value terms did occur after June, so it is probably too early to attribute any dip at this stage.

As shown on the graph on page 5, the wholesale and retail sector experienced a large increase in activity and was the busiest sector. This rise came despite the overall drop in activity.

Liverpool-based advisors continued to work on more deals than there were in the region as a whole, as has been the case for all of the last decade.

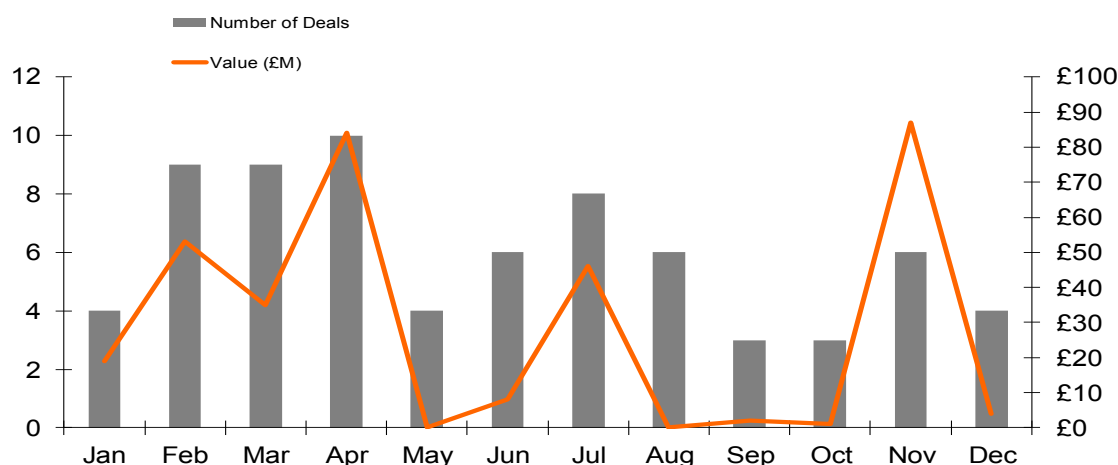
Volume and Value of Liverpool based Advisor Transactions Jan 2006 to Dec 2016



2016 Analysis of Liverpool Based Advisor Transactions for All Deals

(Disclosed and Not Disclosed)

Volume and Value of Liverpool Based Advisor Transactions 2016



As in previous years, there was stronger deal activity in the first half of the year. However, as we move into 2017, we do expect this to change as deals announced towards the end of the year are still being reported

November was the busiest month in value terms, with three deals all with a value of greater than £10m—Stobart's £11m acquisition of Propius (Hill Dickinson), Aprirose Holding acquiring Marine Point Shopping

(DWF) valued at £42m and the raising of £3m in development capital for Med Imaging (Bermans).

The fall in the second half of the year may have been as a result of the uncertainty caused by the Brexit vote. It will be interesting to see if this carries on to the start of 2017. Having said that, the largest value deals did come after June.

Advisory Firm	Citations	Value (£M)
Hill Dickinson	35	261
Brabners	21	9
Bermans	8	12
DWF	6	44
Weightmans	6	56
O'Connors	3	-
Dow Schofield Watts	2	-
Merseyside Special Investment	2	2
Liverpool Seed Fund	1	21
Mitchell Charlesworth	1	52

Individuals	Citations	Value (£M)
Michael Murphy (Hill Dickinson)	10	97
Rupert Gill (Brabners)	8	3
Sue Russell (Hill Dickinson)	7	114
Kieran Donovan (Bermans)	7	9
Daniel Hayhurst (Brabners)	6	-
Richard McKay (Hill Dickinson)	6	102
Craig Scott (Hill Dickinson)	6	32
Matt Noon (Hill Dickinson)	5	5
Robin Hastings (Bermans)	5	9
Ian Vicary (Weightmans)	5	56

The vast majority of deals within the report are due to the involvement of Liverpool-based legal firms. In value terms, Hill Dickinson worked on three Johnson Group Plc deals worth a combined total of £99m. Additionally they provided support for the refinancing deals for UTV Media (£30m) and Bibby Finance Ireland (€45m), as well as the IBO of Roof-Maker Ltd (£30m).

Brabners advised on the following disclosed value deals; Better Bathrooms Ltd in raising £4m, the acquisition of Paxton Ltd by Pharmaco (Merseyside) Ltd (£2.2m), the MBO of Kingsfold Enterprises for £2m and Middleforth Ltd's acquisition of Kingsfold Enterprises for £1.2m.

Liverpool-based Langtons provided advice on the management buy-out of CS Financial Solutions for £2m, with the Merseyside Special investment Fund contributing £1.4m.

2016 Analysis of Liverpool Based Advisor Transactions for All Deals

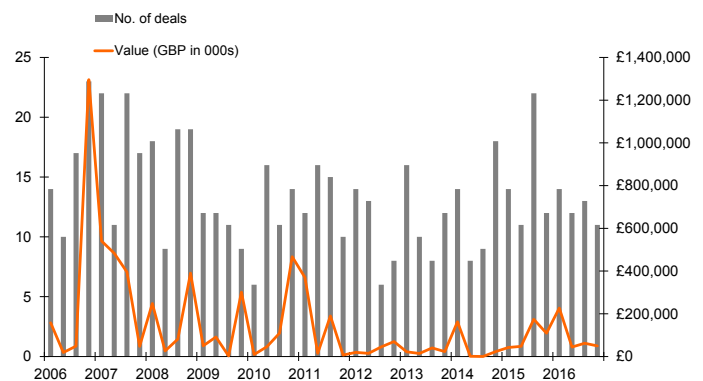
The graph shows deal volume and values for the last ten years across the whole of Liverpool. Liverpool-based advisors worked on a larger number of deals than there were in the region.

The biggest deals without Liverpool based advisors credited for were the £150m refinancing of UKSV Holdings Co, the Owner of Liverpool FC, Rockspring Property acquiring Clayton Square Shopping Centre (£38m) and their purchase of three industrial properties (£21m)

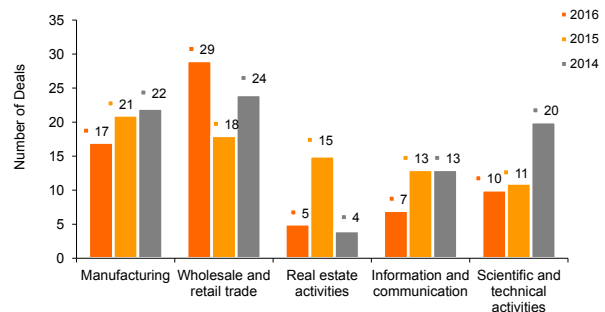
Most areas saw a decline in activity, however the wholesale and retail trade saw a sizeable increase in activity, which increased by 11 deals. This was matched by a similar drop in the real estate sector.

The rise in the wholesale sector was driven by SIG Trading acquiring Metall Architektur for £14m, with advice from Hill Dickinson and Huws Gray Ltd's purchase of ST Group Ltd for £2m, advised by Weightmans.

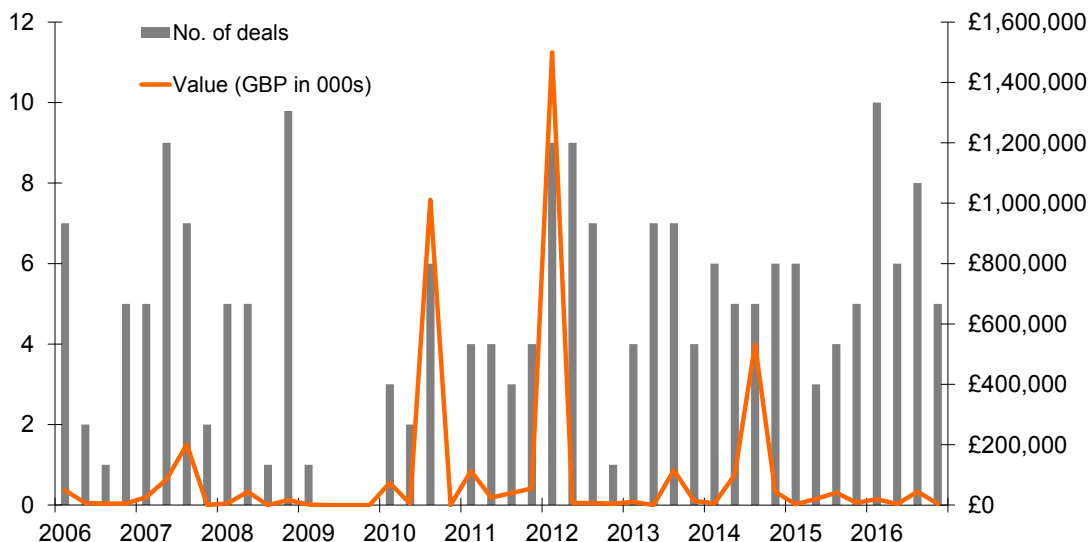
Volume and Value of all Liverpool Transactions Jan 06 to Dec 16



Deals by Sector during the last Three Years



Volume and Value of Deals in the Wholesale and Retail Sector



The above graph shows that deals in the wholesale and retail sector have experienced its busiest year in the past decade. Values have had higher levels, but these are susceptible to being skewed by one large deal. This was the sector most effected by the financial crisis, with three quarters without a single deal. Deal numbers have now reached levels higher than before 2008. It is also a sector that has been highly disrupted by the Internet, which does not appear to be having an effect on M&A activity.

2016 Analysis of Liverpool Based Advisor Transactions for All Deals

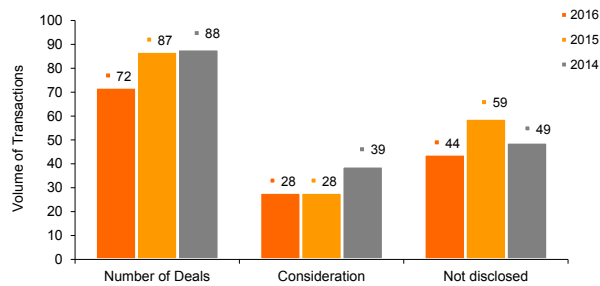
(Disclosed and Not Disclosed)

The number of deals involving Liverpool-based advisors fell from 87 to 72 in the past year. Despite the overall drop in activity, the number of deals with a disclosed deal value remained the same.

The number is also surprising as the level of deals with a public company, which usually discloses a value, dropped from 17, to 14

This is subject to change as values are disclosed at a later date.

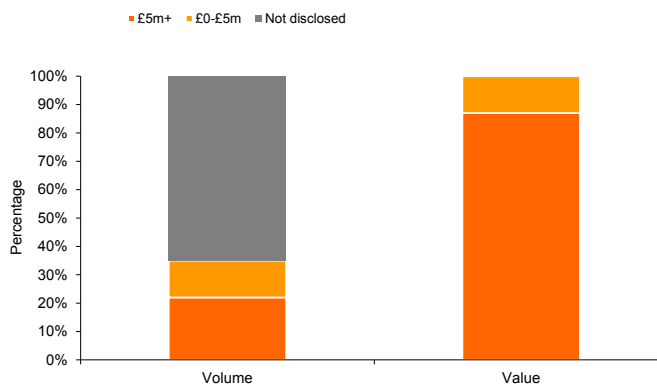
Total Deal Volumes for all Deals for Liverpool Based Advisor Transactions



In terms of the deals with a disclosed value, some 87% of transactions by Liverpool-based advisors have been in the £5m+ segment, while in volume terms, 22% of deals have fallen into the sub-£5m category.

Understandably, the majority of deal values is in the £5m+ bracket.

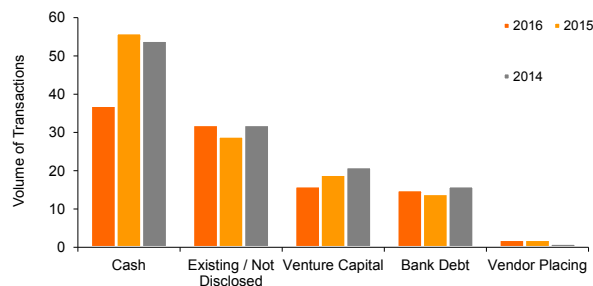
The largest deal under £5m was the £4.5m funding for Blue I Technology (Hill Dickinson)



Source of Funds by Volume - For Liverpool Advisor Transactions

Cash remained the most popular method of funding for transactions during 2016, although it did see a significant drop on the previous two years. The decline in deals funded by venture capital continued, although there was a slight recovery in bank debt funding.

The largest private equity deal was the IBO of Roof-Maker Ltd for £30m, with legal advice provided by Hill Dickinson.



Despite the overall fall in deal activity, acquisitions actually increased in the last 12 months. All other areas remained relatively stable.

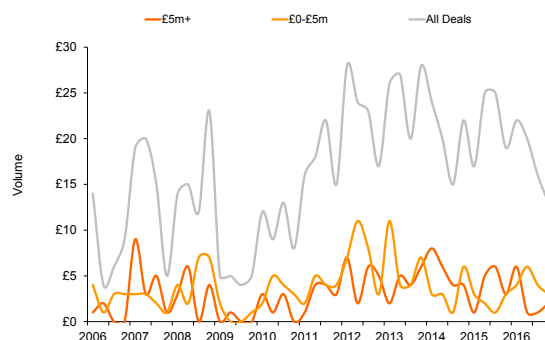
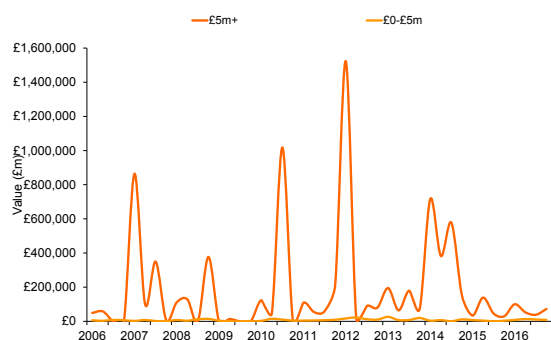
The fall in venture capital backing is highlighted by the decline in investor buy-outs and development capital deals.

Deal Type by Volume - For Liverpool Advisor Transactions



Analysis of Liverpool Based Advisor Transactions

All Liverpool Advisor Transactions January 2006 to December 2016



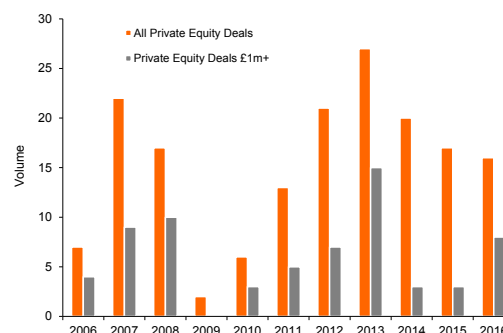
As is to be expected, deals with a value of over £5m continue to make up the vast majority of total deal values, with deals under £5m only contributing a negligible amount.

Deals with a value of £5m+ accounted for more in volume terms than deals under £5m. As the graph shows, the vast majority of deals do not have a disclosed consideration.

Private equity backed deals continued to be at a high level, although slightly down on recent years. However, they did see the recovery from 2009's record low levels continue to be maintained.

The Merseyside Special Investment Fund provided funding for the MBOs of Bakewell & Horner and CS Financial Solutions. The Liverpool Seed Investment Fund sold its stake in Blue Prism Group, as part of a £21m flotation of the business.

Private Equity deals by Volume for Liverpool Advisor Transactions January 2006 to December 2016



Private equity backed deals rebounded after a disappointing 2015 and 2014, however they failed to reach the high levels seen at the start of the decade, or before the financial crisis.

This was not reflected on a UK wide level, which saw the number of private equity deals at their highest level in the last decade and have experienced a five year steady, consistent increase.

On a UK wide level, deal volumes have yet to reach the same levels they did pre-2008, they are currently a third of the values in 2006 and 2007. It seems the trend for private equity firms is to make smaller, but more, investments.

Private Equity deals by Value for Liverpool Advisor Transactions January 2006 to December 2016

Year	All Private Equity Deals	Private Equity Deals £1m+
2006	104,602	103,755
2007	554,731	552,081
2008	45,085	42,410
2009	640	0
2010	1,003,975	1,003,325
2011	44,300	42,850
2012	1,471,250	1,469,150
2013	96,375	94,625
2014	12,536	9,900
2015	31,300	30,200
2016	52,619	52,199

2015 Liverpool Based Advisor Transactions

Announced	Deal Type	Target	Bidder	Value (£m)
08 Jan 2016	Development Capital	Push Dr Ltd		5.6
01 Feb 2016	Acquisition	Zip Textiles (Services) Ltd	Johnson Service Group Plc	17.7
04 Feb 2016	Acquisition	15 Budgens Convenience Stores	Co-Operative Food Holdings Ltd	N/D
01 Feb 2016	Acquisition	Qualplas Ltd	Huws Gray Ltd	1.2
01 Feb 2016	Acquisition	ST Group Ltd	Huws Gray Ltd	2.6
29 Feb 2016	Acquisition	LCL Hose Ltd	ELAFLEX - Gummi Ehlers GmbH	
01 Mar 2016	Acquisition	Jim Peet (Agriculture) Ltd	NWF Group Plc	
05 Feb 2016	Acquisition	Connect Costs Ltd	Pure Legal Costs Consultants Ltd	
03 Mar 2016	Flotation	Blue Prism Group Plc		21.1
08 Mar 2016	Acquisition	Bibby Ship Management Group Ltd	V.Group Ltd	
07 Mar 2016	Acquisition	Cornerstones Building and Landscape Products Ltd	Huws Gray Ltd	
18 Mar 2016	Management Buy-Out	Bakewell & Horner Ltd	Russ Smith	
05 Jan 2016	Acquisition	Metall Architektur Ltd	SIG Trading Ltd	14
11 Mar 2016	Acquisition	Robinsons Country Leisure Ltd	SD Equestrian Ltd	
29 Feb 2016	Reconstruction / Refinancing	UTV Media Plc		30
16 Feb 2016	Acquisition	BSGL1963 Ltd	BMB Clothing Ltd	1.5
31 Jan 2016	Acquisition	Jamworks Dale Street Ltd	City Life Developments Dale Street Ltd	
29 Jan 2016	Acquisition	Castlewood Securities Ltd	Martins Bidco Ltd	
23 Mar 2016	Acquisition	Bradgate Business Finance Ltd	1pm Plc	2.75
29 Mar 2016	Acquisition	Brynteg Holiday Home Park LLP	Park Leisure 2000 Ltd	11.5
29 Apr 2016	Acquisition	Portgrade Ltd	Johnson Service Group Plc	52.6
26 Apr 2016	Acquisition	Chester Laundry Ltd	Johnson Service Group Plc	3.3

2015 Liverpool Based Advisor Transactions

Announced	Deal Type	Target	Bidder	Value (£m)
29 Apr 2016	Rights Issue / Other Issue	Johnson Service Group Plc		28.7
04 May 2016	Acquisition	Shropshire Building Supplies Ltd	Huws Gray Ltd	N/D
10 May 2016	Acquisition	Lees Solicitors LLP	Jackson Canter Ltd	N/D
10 Feb 2016	Management Buy-Out	ITHR Group Plc	Sean Gallagher and Gareth Mee	N/D
26 Apr 2016	Development Capital	EDAM Group Ltd		N/D
20 Jun 2016	Acquisition	W Carroll Group Ltd	Sovini Commercial Ltd	N/D
20 Jun 2016	Development Capital	Blue I Event Technology Ltd		4.5
14 Mar 2016	Minority Stake	Alfred Jones (Warrington) Ltd	James Hall and Company Ltd	N/D
20 Apr 2016	Acquisition	Unstuffy Hotel Co Ltd	Leeu Holdings Ltd	N/D
07 Apr 2016	Acquisition	Napier Homecare Services Ltd	Littleton Hall Ltd	N/D
03 Jun 2016	Development Capital	US Aberla Ltd		0.5
14 Apr 2016	Acquisition	McKinnon Medical Ltd	First Aid Holdings Ltd	N/D
26 Apr 2016	Acquisition	St Michael's Manor Ltd	Avon Lake Holdings Ltd	N/D
13 Jun 2016	Development Capital	Park Business Insight Ltd		1
01 Apr 2016	Development Capital	Park Crosby Associations Ltd		N/D
03 May 2016	Acquisition	AlluGuard Ltd	SWS (UK) Ltd	N/D
27 Jun 2016	Management Buy-Out	CS Financial Solutions (CSFS) Ltd	Paul McGuckin, Craig Williams and Colin Nicol	2
01 Jun 2016	Development Capital	Peak Business Insight Ltd		N/D
03 May 2016	Acquisition	MCL Group Industries Ltd	CRH (UK) Ltd	N/D
01 Jul 2016	Acquisition	McEwan Wallace Wealth Management Ltd	Gee and Watson Investment and Pensions Ltd	N/D
05 Jul 2016	Acquisition	Six community pharmacies in Yorkshire	Hub Pharmacy Ltd (The)	N/D
09 Jul 2016	Development Capital	Better Bathrooms (UK) Ltd		4

2015 Liverpool Based Advisor Transactions

Announced	Deal Type	Target	Bidder	Value (£m)
01 Jul 2016	Management Buy-Out	SRO Solutions Ltd	SRO Solutions Holdings Ltd	3.1
29 Jul 2016	Development Capital	LHH Investments Ltd		1
10 Aug 2016	Acquisition	Northern Case Ltd	Scott Group Investments Ltd	N/D
25 Aug 2016	Development Capital	Four Eyes Insight Ltd		N/D
26 Aug 2016	Acquisition	Wild Manufacturing Group Ltd	Sertec Group Ltd	N/D
30 Aug 2016	Management Buy-In / Buy-Out	Euxton Group Ltd	Brabco 1610 Ltd	N/D
31 Aug 2016	Acquisition	Red Hall Service Stations Ltd	Manor Service Stations Ltd	N/D
08 Jul 2016	Reconstruction / Refinancing	Bibby Financial Services (Ireland) Ltd		38.5
16 Jul 2016	Acquisition	The RiverHill Hotel & Restaurant	Mr Markos Palios and Mrs Nicola Palios	N/D
01 Sep 2016	Acquisition	Certain Assets of the Leyland Truck And Trailer Division of Leyland Exports	LT&T Ltd	N/D
01 Sep 2016	Acquisition	Dunkleys Ltd	Edward Billington and Son Ltd	N/D
17 Oct 2016	Acquisition	P2P Mailing Ltd	Delivery Group Ltd	N/D
18 Nov 2016	Acquisition	Propius Holdings Ltd	Stobart Group Ltd	11.8
09 Nov 2016	Acquisition	Marine Point Shopping and Leisure Complex	Aprirose Holding Ltd	42.5
23 Nov 2016	Investor Buy-Out	Roof-Maker Ltd	Next Wave Partners	30
17 Nov 2016	Development Capital	Med Imaging Healthcare Group Ltd		3
13 Apr 2016	Acquisition	Frost Auto Restoration Techniques Ltd	Alan Tunstall Holdings Ltd	N/D
09 Jul 2016	Acquisition	Two Convenience Stores Operated by MLCG Ltd	Martin McColl Ltd	N/D
16 Nov 2016	Acquisition	Cliffar Holdings Ltd	J&T Rigby Ltd	N/D
30 Nov 2016	Acquisition	John Rome Ltd	Slicker Recycling Ltd	N/D
23 Dec 2016	Management Buy-Out	Thyson Technology Holdings Ltd	Management	N/D
16 Dec 2016	Acquisition	E Clarke & Son (Coaches) Ltd	National Express Group Plc	N/D

2015 Liverpool Based Advisor Transactions

Announced	Deal Type	Target	Bidder	Value (£m)
07 Oct 2016	Acquisition	Butt Lane Healthcare Ltd	VPS Sharda Ltd	N/D
01 Sep 2016	Acquisition	Paxton Ltd	Pharmaco (Merseyside) Ltd	2.2
31 Oct 2016	Acquisition	Kingsfold Enterprises Ltd	Middleforth Ltd	1.2
01 Aug 2016	Reconstruction / Refinancing	Peel Logistics Management Ltd		N/D
07 Dec 2016	Acquisition	Driver Support Services Ltd	Kirivani Group Ltd	4
14 Dec 2016	Management Buy-Out	TP Properties	TP Supported Accommodation Ltd	N/D



INTERNATIONAL MERGERS AND ACQUISITIONS DATABASE

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For subscription information please contact T: 44 (0) 161 288 4901

Name of Firm supplying information:		Client Name:	
Companies:	Name:	Location:	Type of business:
Target			
Bidder			
Date An-nounced:	DD/MM/YYYY	Consideration (Millions):	
Date completed:	DD/MM/YYYY	Consideration satisfied by:	
Deal Description:	Company Share Issue	Mezzanine Finance	
	Existing Resources	Other Companies	
	High Street Bank	Vendor Placing	
	Merchant Bank	Venture Capital	
Type of Deal:			
Acquisition	Exit	Management Buy-out	Receivership Restructuring
Demerger	Flotation	Management Buy-in/Buy-out	Reverse Takeover
Development Capital	Investor Buy-in	Merger	Rights/Other Issue
Disposal	Investor Buy-out	Minority Stake	Secondary Buy-out
Employee Buy-in	Leveraged Buy-out	Public to Private	Share Buy-back
Employee Buy-out	Management Buy-in	Reconstruction	Start-up
Advisors – please supply all advisors, noting for whom they acted and in what capacity			
Advisor + office	Team (individuals)	Client	Role
Funding – please supply all investors			
Investor + office	Debt/Equity	Team (individuals)	Client