



SUPPORTING M&A DIRECTORS

The most successful corporate strategies are those which continually evolve, taking account of structural, economic and marketplace changes. Change and challenge are plentiful in the current climate, but we know this also presents opportunity.

M&A has a significant role to play, and larger businesses with a diverse portfolio of interests have greater flexibility to adapt through selling subsidiary companies or divisions to generate capital for investment and increase focus on the core business. They can also capitalise on acquisition opportunities to increase market share or diversify products and services.

Private equity can be an ideal solution for corporate disposals, enabling vendors to execute the process quickly and achieve optimal value. Similarly, private equity-backed businesses make strong acquisition targets thanks to professionalised operations.

In the last nearly 40 years, we've built a strong track record of working with corporate M&A teams. Since 2018, we've completed seven corporate carve outs with a combined enterprise

value of more than £250million, including the carve out of Asset Solutions Group from OCS Group and Precision Micro from global aerospace, defence and energy group Meggitt plc. We've also sold four businesses to large corporates in the last 12 months, including events business FC Business Intelligence to Thomson Reuters and law firm Keoghs to professional services business Davies Group.

As the private equity arm of Lloyds Banking Group, we have £1.2bn to invest in the next three years and we are actively looking for new investment opportunities. We also have a portfolio of over 90 mid-market businesses, which means we are uniquely placed to work with M&A Directors to achieve their business objectives.

RECENT CARVE OUTS



MARTIN AUDIO

LDC backed the speaker manufacturer in 2018 in a management buyout from US-based global audio specialist Loud Audio. LDC invested £12m in Martin Audio alongside its existing management team led by Managing Director Dom Harter. Following a period of significant growth, in December 2019, LDC agreed to sell its stake in Martin Audio to Focusrite plc, the global music and audio products company, in a £39.2m sale.



AN INDEPENDENT CLOTHING GROUP

Tailored Brands, Inc (NYSE:TLRD) sold its corporate apparel businesses to the management team, backed by LDC in August 2019. The corporate apparel business comprises of corporate clothing brands, Dimensions, Alexandra, Yaffy and Twin Hill. Our investment is helping the group to invest in its service lines and infrastructure to accelerate organic growth. The deal helped Tailored Brands to give greater focus to its retail businesses.



NBS

Alongside its original owner, the Royal Institute of British Architects, LDC invested £31.8m for a significant minority holding in NBS, the global construction information platform. The deal provided a welcome capital injection to grow NBS and has enabled RIBA to focus on delivering its strategy in support of the architecture profession. NBS and RIBA chose LDC due to our extensive pedigree including our experience working in the technology sector.

RECENT TRADE SALES



KEOGHS

Following a seven-year partnership, LDC sold its minority stake in law firm Keoghs to specialist professional services and technology business Davies in January 2020. With ten locations across the globe and a growing client list, Keoghs was an attractive prospect. The business formed a new legal solutions arm within the Davies Group.



FC BUSINESS INTELLIGENCE

LDC announced the sale of global business-to-business events specialist FCBI to Thomson Reuters, following a 15-month partnership. FCBI was rebranded as Reuters Events and now operates as part of the Reuters News division of Thomson Reuters. The acquisition enabled Reuters to combine its trusted brand and scale with FCBI's expertise in highly specialized events for professionals.



BOFA

LDC sold fume extraction and filtration specialist BOFA to NYSE-listed Donaldson Company, Inc. (NYSE:DCI), the leading worldwide manufacturer of filtration systems and parts. During our three-year partnership, BOFA expanded into Europe and almost doubled revenues. Donaldson acquired the business to expand its industrial air filtration business and further diversify its services.

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