

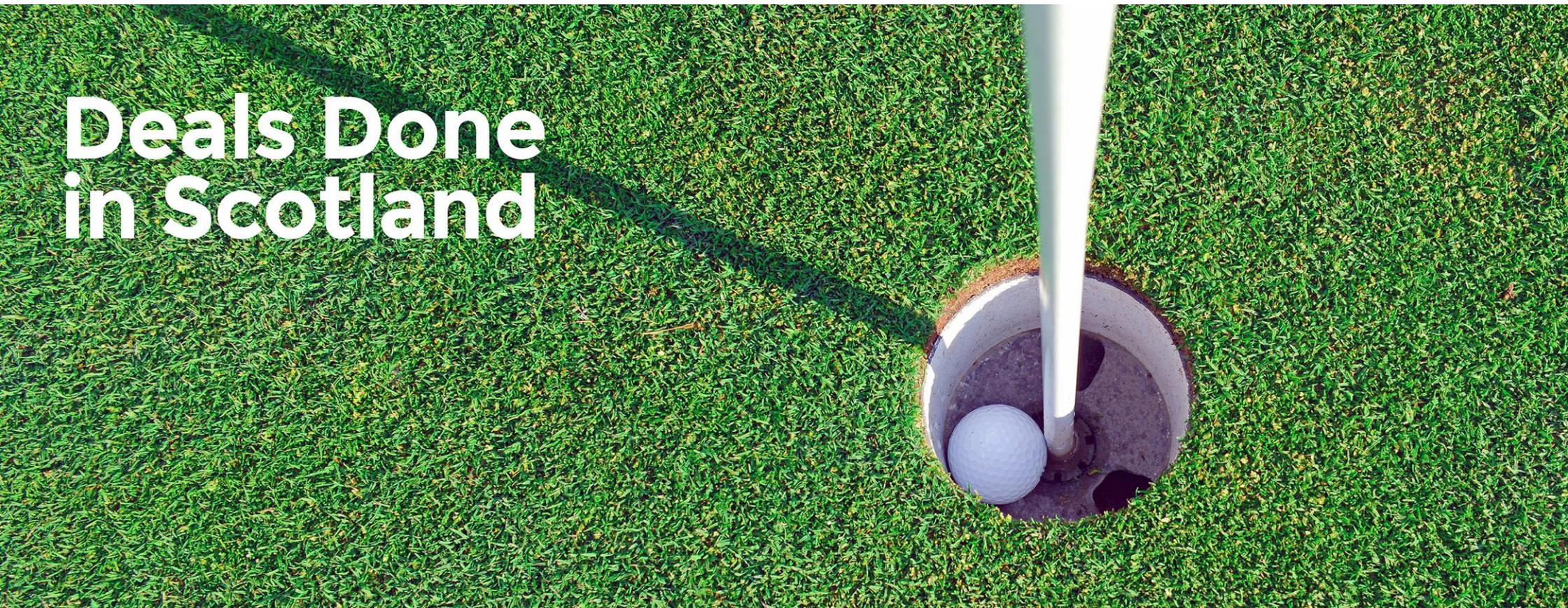
Deals ⁺

A quarterly market review



Q2 2020

Deals Done in Scotland



Welcome

Anderson Anderson & Brown Corporate Finance (AABcf) is delighted to share with you our quarterly Deals+ update for Q2 2020, highlighting selected M&A and fundraising transactions across Scotland.

Reflecting on Q2 2020

M&A activity across Q2 2020 experienced its worst quarter in over a decade as many transactions ended up postponed or abandoned as the world began to weigh up the impacts of the COVID-19 pandemic on economic recovery. With global equity and debt markets faltering throughout Q2 2020 liquidity and shoring-up balance sheets has become a key focus for many with market sentiment on economic recovery still low. From a transaction perspective this has often resulted in the altering of deal structures towards 'earn-outs' with buyers not comfortable parting with much needed cash reserves on completion.

Despite the challenges in Q2 2020 we have still seen a number of key deals across the quarter including cybersecurity specialist Beeks Financial Cloud's acquisition of Velocimetrics for £1.3m and Malaysian-listed engineering specialist Serba Dinamik's acquisition of Aberdeen-based Wellahead Engineering, establishing a strategic base in the North East for Serba. Elsewhere, Bluewater Energy backed and leading operations & maintenance specialist PX Group acquired NRG Well Management, a provider of project management solutions to the upstream oil & gas industry. The deal extends PX Group's capabilities to the full upstream asset lifecycle.

Fund-raising activity in Q2 2020 has seen a gradual recovery with a number of stand-out fundraising transactions closing, including edible seaweed product manufacturer SHORE successfully raising £1.7m from the Scottish Investment Bank (SIB). A stellar deal during the quarter was leading subsea clean energy specialist EC-OG's successful £1.6m raise from Par Equity.

As we head into Q3 2020 we expect to see continued appetite from Private Equity (PE) backers to deploy capital into resilient tech, healthcare and business services firms where the recurring nature of the trade has been largely unaffected by COVID-19 and proving attractive to PE funds with significant capital to deploy.

The removal of government lockdown measures is the first step in beginning to re-build the economy, however we will continue to face difficulties as we all begin to adapt to the new normal, please do know that we are here to offer guidance and support as your circumstances may change. Please do get in touch if we can be of assistance through this very challenging period for all of us.

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Selected Mergers & Acquisitions

Date Announced	Seller	Buyer	Transaction Amount	Description	Sector
25-Jun-20	Interserve Facilities Management Ltd	Mitie Group Plc	£271m	Mitie Group Plc, registered in Glasgow, Scotland, headquartered in London, England, provider of building and support services to owners and occupiers of commercial/industrial property, has agreed to acquire Interserve Facilities Management Ltd, London, England, which delivers facilities management solutions to the public and private sectors across the UK, a subsidiary of Interserve Group Ltd for a total consideration of £271m.	Facilities Management
23-Jun-20	ABT Machine Tools & Tooling Ltd	United Tooling Solutions Ltd	Undisclosed	United Tooling Solutions Ltd, Devon, England, which sells engineering tool parts and equipment, has acquired ABT Machine Tools & Tooling Ltd, Glasgow, Scotland, which distributes cutting tools. Terms not disclosed.	Engineering
11-Jun-20	Pisys.Net Ltd	Comcen Computer Supplies Ltd	Undisclosed	Comcen Computer Supplies Ltd, Swansea, Wales, manufacturer and supplier of computer equipment, has acquired Pisys.Net Ltd, Aberdeen, Scotland, provider of information technology (IT) consulting, support and services. Consideration undisclosed.	Technology
09-Jun-20	Wellahead Engineering Ltd	Serba Dinamik Holdings Bhd	Undisclosed	Serba Dinamik Holdings Bhd, Malaysia, a provider of engineering solutions to oil and gas, and power generation industries, acquired an undisclosed majority shareholding in Wellahead Engineering Ltd, Aberdeen, Scotland, a manufacturer of high-precision machinery for clients in the energy industry. The deal will also provide Wellahead with investment for growth and access to Serba Dinamik's existing client base.	Oil & Gas Services
03-Jun-20	Hunter Boot Ltd	Pall Mall Legacy	£16.5m	Private equity firm Pall Mall Legacy, a Goldman Sachs investment vehicle, has acquired a majority stake in Hunter Boot Ltd, South Queensferry, Scotland, a manufacturer and supplier of definitive wellington boots and accessories. Consideration £16.5m.	Retail
01-Jun-20	Scotia Homes Ltd	Camlin Ltd	Undisclosed	Scotia Homes Ltd, Ellon, Scotland, a leading residential property developer has been acquired by Camlin Ltd, a Joint Venture between David Cameron and Bruce Linton for an undisclosed sum.	Construction
18-May-20	Saltire Facilities Management Ltd	United Capital Group Ltd	Undisclosed	United Capital Group Ltd, Dundee, Scotland, which provides investment management services, acquired Saltire Facilities Management Ltd, Bellshill, Scotland, which provides gas and central heating services to homes and businesses. Terms not disclosed.	Facilities Management



Selected Mergers & Acquisitions

Date Announced	Seller	Buyer	Transaction Amount	Description	Sector
29-Apr-20	NRG Well Management Ltd	PX Group Ltd	Undisclosed	PX Group Ltd, Durham, England, provider of engineering, operations and maintenance services and also electricity asset optimisation for power, gas, fuel storage, waste, biofuel, renewable energy and petrochemical, a portfolio company of Blue Water Energy LLP, has acquired NRG Well Management Ltd, Aberdeen, Scotland, provider of engineering and project management solutions to the global upstream oil and gas industry. Consideration undisclosed.	Oil & Gas Services
27-Apr-20	South Kyle Wind Farm Ltd	Greencoat UK Wind Plc	£320m	Greencoat UK Wind Plc, London, England, an investor in operational UK wind farms, is to acquire South Kyle Wind Farm Ltd, Edinburgh, Scotland, provider of wind power generation facilities, a subsidiary of Vattenfall Wind Power Ltd, London, England, which produces and distributes heat, electricity and natural gas, for a consideration of £320m.	Renewables
16-Apr-20	South Lanarkshire Building Supplies Ltd	Rodger Group	£2m	M & J Builder Merchants Ltd, Greenock, Scotland, a provider of building supplies, timber, and landscaping products and services has acquired South Lanarkshire Building Supplies Ltd, South Lanarkshire, Scotland, a provider of building supplies and construction services for a consideration of £2m.	Construction
15-Apr-20	Velocimetrix Ltd	Beeks Financial Cloud Group Plc	£1.3m	Beeks Financial Cloud Group Plc, Glasgow, Scotland, provider of cloud-based trade with foreign exchange, acquired Velocimetrix Ltd, Surrey, England, operator of a network monitoring and trade analytics software company, for a consideration of £1.3m.	Technology
03-Apr-20	McMillan (Coppersmiths & Fabricators) Ltd	Briggs of Burton Plc	Undisclosed	Briggs of Burton Plc, Staffordshire, England, a manufacturer of equipment for the brewing, beverage, food and pharmaceutical industries, has acquired McMillan (Coppersmiths and Fabricators) Ltd, a metal fabricator based in Prestonpans, Scotland, for an undisclosed consideration.	Engineering
02-Apr-20	Affinity for Business (Retail) Ltd	Castle Water Ltd	Undisclosed	Castle Water Ltd, Blairgowrie, Scotland, a supplier of water services to businesses, charities and the public sector, has acquired Affinity for Business (Retail) Ltd, Hertfordshire, England. Terms not disclosed.	Utilities



Selected Fundraising Transactions

Date Announced	Company	Funders	Investment Amount	Description	Sector
29-Jun-20	New Wave Foods Ltd	SIB & HIE	£1.7m	New Wave Foods Ltd (t/a SHORE), Ross-shire, Scotland, a producer of edible seaweed products has successfully raised £1.7m funding from SIB and Highlands and Islands Enterprise (HIE). The funds will be used to further develop the product range of plan-based seaweed snacks.	Food & Drink
25-Jun-20	Reactec Ltd	Archangel & SIB	£700k	Reatec Ltd, Edinburgh, Scotland, a leader in monitoring and data analytics for hand and arm vibration systems has successfully raised £700k in a funding round led by Archangels and SIB. The funds will be used to further develop their health risk sensor portfolio.	Technology
24-Jun-20	Epipole Ltd	Greenwood Way Capital & SIB	£1.5m	Epipole Ltd, Inverkeithing, Scotland, a video retinal imaging specialist has successfully secured £1.5m funding from new investor Greenwood Way Capital, with the SIB also participating in the round. The funding will be used to continue expansion into the US ophthalmic imaging market.	Healthcare
22-Jun-20	OYNB Ltd	Crowdfunding	£1.1m	OYNB Ltd (t/a One Year No Beer), registered in London, England, headquartered in Edinburgh, Scotland, a provider of an online toolkit for surviving modern alcohol-free society, received funding of £1.1m. The funding will be used to further develop the technology infrastructure of the business, allowing them to scale their lifestyle support system.	Technology
17-Jun-20	Trojan Energy Ltd	Equity Gap, SIS Ventures, Alba Equity & SIB	£4.1m	Trojan Energy Ltd, Stonehaven, Scotland, a provider of electric vehicle (EV) charging points, secured seed funding of £4.1m. The round was led by Equity Gap and included SIS Ventures, Alba Equity and Scottish Investment Bank. The investment will enable Trojan Energy to advance testing and certification of its product.	Technology
05-Jun-20	Bellrock Technology Ltd	ESM Investments & SIB	£1m	Bellrock Technology Ltd, registered in Edinburgh, Scotland, a developer of predictive analytics deployment software, received funding of £1m from its long term investors including Strathclyde's Institute for Energy and Environment, Scottish Investment Bank and Stirling-based ESM Investments. The proceeds will be used by the company to double its workforce to 16 people and accelerate the next stage release of the Lumen software platform.	Technology
03-Jun-20	Hatch-AI Ltd	TRICAPITAL	£520k	Hatch-AI Ltd (t/a AVENI), Edinburgh, Scotland, a leading-edge video conferencing technology provider has successfully raised £520k funding from TRICAPITAL.	Technology
29-May-20	Ancaster Blesma Ltd	Downing LLP	Undisclosed	Ancaster Blesma Ltd, Crieff, Scotland, provider of care home facilities, received an undisclosed amount of investment from Downing LLP through Priory CCII Ltd. Further terms not disclosed.	Healthcare



Selected Fundraising Transactions

Date Announced	Company	Funders	Investment Amount	Description	Sector
27-May-20	Pneumagen Holdings Ltd	Thairm Bio, SIB	£4m	Pneumagen Holdings Ltd, St Andrews, Scotland, which specialises on treating infectious diseases and wants to pursue the clinical development of Neumifil, which it claims could transform the treatment of respiratory tract infections, has raised a GB£4m funding round. The round was led by Thairm Bio with additional investment from the Scottish Investment Bank. The investment will progress its lead candidate, Neumifil™ into a clinical trial for COVID-19.	Healthcare
14-May-20	Continuum Industries Ltd	Playfair Capital, Credo Ventures, Techstart Ventures	£1.5m	Continuum Industries Ltd, Edinburgh, Scotland, which provides artificial intelligence tools for engineering professionals, has closed a £1.5 million fundraising round. The seed round was co-led by London's Playfair Capital and Prague-based Credo Ventures with participation from Techstart Ventures.	Technology
13-May-20	Modulr Finance Ltd	Highland Europe	£18.9m	Modulr Finance Ltd, Edinburgh, Scotland, one of the leading 'Payment-as-a-Service' digital business services providers has secured new investment of £18.9m from Highland Europe with participation from existing investor Frog Capital. It is intended that the investment will accelerate growth and customer momentum.	Technology
06-May-20	Player.Data Ltd	Private Individuals	£750k	PlayerData Ltd, Edinburgh, Scotland, a provider of an application where coaches can assign units, send data for analysis, and send out surveys to their players, secured venture funding of £750,000 from private individuals. The proceeds will be used by the company to fast-track the development of its sports performance monitoring product.	Technology
23-Apr-20	VERT Rotors (UK) Ltd	Par Equity, Equity Gap, Aero Den, SIB	£720k	VERT Rotors (UK) Ltd, Edinburgh, Scotland, a leading manufacturer of compressors has secured £720k additional funding from Par Equity, Equity Gap, Aero Den and SIB. The additional funds will be used to ramp up both sales and production over the coming months.	Manufacturing
16-Apr-20	We Are Pawprint Ltd	Crowdfunding	£350k	We Are Pawprint Ltd, Edinburgh, Scotland, a eco-technology start-up focused on providing users with tips on how to reduce their carbon footprints has successfully raised £350k in a crowdfunding round.	Technology
15-Apr-20	EC-OG Holdings Ltd	Par Equity	£1.6m	EC-OG Holdings Ltd, Aberdeen, Scotland, a subsea clean energy specialist has successfully raised £1.6m from a consortium of investors led by Par Equity. The funds will be used to scale up EC-OG's automated battery manufacturing capability and significant reduce the time from order to deployment.	Oil & Gas Services



Recent AAB Transactions

Timber/Construction

CF advisors acting on behalf of



James Donaldson Group
in the acquisition of




Rowan Group
Undisclosed

Healthcare

Acting on behalf of the management team of



Tepnel Pharma Services
in the recent MBO from



Hologic Inc
Undisclosed

Aviation

CF advisors acting on behalf of



Shawbrook Bank
in the investment into



Helideck Certification Agency Limited
Undisclosed

Aquaculture

CF advisors acting on behalf of



Aqualife Services
in the raising of equity funding from Private Investors &



Aqualife Services
Undisclosed

Technology

Acting on behalf of the shareholders of



Motion Software
in the disposal to



Jonas Software
Undisclosed

Manufacturing

Acting on behalf of the shareholders of



JWF Process Solutions
in the acquisition of



Stream Measurement
Undisclosed

Oil & Gas E&P

CF advisors acting on behalf of

Waldorf Energy

Waldorf Energy Partners
in the acquisition of selected assets from



Endeavour Energy UK
Undisclosed

Shipping/Marine

Acting on behalf of the shareholders of



Aquaship AS
in the raising of growth capital facilities from



Amerra Capital
Undisclosed

Manufacturing

Acting on behalf of the management team of



Arjowiggins Fine Papers Ltd
in the recent MBO supported by





Undisclosed

Oil & Gas Services

Acting on behalf of the shareholders of



Alba Gaskets
in the recent MBO supported by




Undisclosed



Current Opportunities

Acquisition Search Mandates

TECHNOLOGY

Chris Thompson: [Contact details](#)

- ⊕ IT Managed Service Providers, preferably with a Microsoft focus. Looking for over 50% recurrent revenues and over £350k EBITDA. UK-wide.
- ⊕ Telecoms businesses, providing connectivity, mobility, IoT and unified comms solutions. UK-wide, over £1m turnover.
- ⊕ Digital platform add in providers. Business that complements the client payment process cycle. MRR > \$100m.
- ⊕ European based suppliers of industrial internet, civil internet, electronics, intelligent control. Revenue > \$100m.

HEALTHCARE

Chris Thompson: [Contact details](#)

- ⊕ Domiciliary Home Care providers based in Scotland, focused on elderly care (>65s). £5m+ turnover.
- ⊕ Domiciliary Home Care providers based in South of England, focus on general home care. £100k+ EBITDA.

MANUFACTURING

Callum Gray: [Contact Details](#)

- ⊕ European based manufacturers of high speed steel, moulded steel, powdered metal and cutting tools. EBITDA > £5m.

FOOD & DRINK

Adam Cassidy: [Contact details](#)

- ⊕ UK-based manufacturers of soft drinks, with a strong brand. EBITDA £1m+.
- ⊕ UK-based fresh food supplier. Standalone investments £1.5m+ but will consider smaller bolt-on opportunities.
- ⊕ Smoked salmon & shellfish suppliers, preferably located in Scotland. Distressed opportunities considered.

RECRUITMENT & TRAINING

Adam Cassidy: [Contact details](#)

- ⊕ Provider of temporary blue collar staffing, UK wide with revenues £20m+.
- ⊕ Targets based in the north of England, £1m+ EBITDA and primarily focused on contract placements into the financial services sector.
- ⊕ Healthcare staffing businesses, generating £20m turnover, based within a 1 hour radius of London.
- ⊕ Businesses which supply staff into financial services and professional services, based in Scotland. Ideally the target will generate up to £15m turnover.
- ⊕ Businesses which supply personnel to energy industries, UK wide with revenues £2m+, would also considered distressed opportunities.
- ⊕ Provider of training and apprenticeships, preferably located in the North of England and Scotland. EBITDA £250k+.



Current Opportunities (continued)

Acquisition Search Mandates (continued)

ENERGY & UTILITIES

Callum Gray: [Contact Details](#)

- ⊕ Providers of inspection, repair and maintenance services, preferably located in the North of England and Scotland with distressed opportunities considered
- ⊕ Engineering consultancy, design, fabrication and manufacturing businesses to the energy sectors, UK wide with distressed opportunities considered
- ⊕ Manufacturers of pumps and valves to the Oil & Gas and utilities industries.

WASTE MANAGEMENT

Stuart Cooper: [Contact details](#)

- ⊕ Total waste management businesses (waste management, energy efficiency, hazardous waste) with EV between £5m - £15m. UK-wide and preferably freehold site.
- ⊕ Technology focussed waste management businesses, serving industrial clients. UK wide with an EBITDA £1m - £3m.

FACILITIES MANAGEMENT

Stuart Cooper: [Contact details](#)

- ⊕ Hard Facilities Management businesses (installation and maintenance) with over £7.5m turnover, and with a focus on public sector clients. Anywhere in the UK.
- ⊕ HVAC M&E maintenance businesses, looking for retirement sales across the UK. Up to £5m turnover.

Investment Opportunities

Intebloc

Construction

An opportunity to invest in a rapidly growing business, producing transformative lifting technology to overcome the operational safety and efficiency challenges faced in the construction, energy and marine sectors.

Equity Investment: £500k

EIS Qualifying

Brian McMurray: [Contact details](#)

We.Soccer

Leisure

An opportunity to invest in a revolutionary digital platform and contactless football admin system for grass roots football, with the ability to monetise a high volume, high quality user-base.

Equity Investment: £3m

EIS Qualifying

Stuart Cooper: [Contact details](#)

Property

Investment opportunities across multiple property sub-sectors, including student accommodation, care homes, private rental accommodation, property development and property investment.

Gordon Steele: [Contact details](#)



Current Opportunities (continued)

Disposal Mandates

Project Calcutta

An opportunity to acquire a leading private home care service provider operating in Scotland's Central Belt.

Turnover: £2.1m
Adj EBITDA: £260k
Stuart Cooper: [Contact details](#)

Project Stone

An opportunity to acquire a leading tipping and plant hire business in the North East of Scotland.

Turnover: £4.7m
Adj EBITDA: £1.5m
Stuart Cooper: [Contact details](#)

Project Aston

An opportunity to acquire a leading transportation software business based in Scotland.

Turnover: £1.5m
Adj EBITDA: £830k
Stuart Cooper: [Contact details](#)

Project Cherry

An opportunity to acquire a leading plant hire and vehicle rental business in the North East of Scotland.

Turnover: £4.8m
Adj EBITDA: £1.3m
Gordon Steele: [Contact details](#)

Project Newton

An opportunity to acquire an IT Managed Service Provider, providing IT support services, cloud solutions and software development across the UK.

Turnover: £5m-10m
EBITDA: £0.5m-£1m
Chris Thompson: [Contact details](#)

MagPI Global

An opportunity to acquire a specialist provider of well imaging and evaluation services to the O&G sector, based in Scotland.

Adam Cassidy: [Contact details](#)



AAB Corporate Finance Team Contact Details



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