



CASE STUDY

Management Buy Out

"We would have no hesitation in recommending Mark and The MGroup and look forward to working with them again in the future."

Meet Thermodial Ltd

Following a decision by one of the three shareholders to retire, Thermodial Limited, a long established provider of Heating Ventilation and Air Conditioning Services throughout the Republic of Ireland, was marketed for formal sale.

Despite receiving a number of offers from corporate acquirers, the shareholders wanted very different exit routes, one to retire immediately on the sale and one wishing to stay involved for a while longer. The terms offered from the potential acquirer's didn't allow for that.

A management buyout (MBO) was suggested but the shareholders were reticent and reluctant. They were concerned the managers wouldn't raise the money or know where to start the process.

The MGroup's Support

Our initial input was to convince the management that the MBO route was a viable one, that we understood the process and that we could help raise the necessary finance.

Meeting the shareholders' price expectation and matching the individual views on payment was our first major challenge, but we overcame this and were successful in attracting the managers as our potential clients.

Three of the senior managers were invited to make a bid for the business, and we supported a period of negotiation to ensure the deal was appropriately structured to meet all parties' aspirations.

We undertook financial modelling to obtain the requisite acquisition finance and working capital before the two parties were ready to negotiate and complete legal formalities.

The two selling shareholders were able to obtain their own very different exit routes, whilst ensuring the business succession was secured. Their return on their investment was such that it exceeded the trade offers made. The three key managers, led by Managing Director Turlough Kinane, are now proud majority owners of this thriving business.

SUPPORTING YOU FROM THE FIRST INTERACTION THROUGH TO THE FINAL ONE

Mark Crossfield, Partner, The MGroup Corporate Finance

"This was a challenging transaction with a lot of personal agendas, but the end result was worth all the effort. It is heartening to see a business continue its succession in the hands of the second tier management and deliver all the exit benefits to the founder shareholders at the same time. I wish them well for the future."



In Their Words

Mark Crossfield and the team at The MGroup worked with my colleagues and I on our MBO of Thermodial Limited (thermodial.ie). Mark brought his long standing experience and expertise in Banking and Corporate Finance to our transaction and with his in house team at MGroup, delivered an excellent service to us.

An MBO can be very complicated and involve a lot of differing stakeholders. Mark was very diligent and tenacious in dealing with all parties which allowed us to continue to operate the business while the transaction progressed. We would have no hesitation in recommending Mark and The MGroup and look forward to working with them again in the future.

www.themgroup.co.uk

www.TheMGroup.co.uk

corporatefinance@themgroup.co.uk

Oxford Office: Cranbrook House, 287-291 Banbury Road , Oxford, Oxfordshire, OX2 7JQ Tel: +44 (0)1865 552 925

Witney Office: Harvestway House, 28 High Street , Witney, Oxfordshire, OX28 6RA Tel: +44 (0)1993 776 476

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