



News from CSA May 2017

CSA completes three due diligence mandates in Q1 2017

Carlton Strategy Advisors - the commercial due diligence consulting firm, completed three client mandates in the first quarter of 2017. David McClelland, director, highlights CSA's most recent work and support for bank debt lenders and private equity sponsors:



Eyewear design, manufacture & distribution



Fluoroplastics manufacture & stockholding



Building services design, build & FM

January 2017 started strongly for CSA when asked to act as reporting advisors to the bank and PE backers of a £100m trade acquisition in the eyewear sector. The deal involved the acquisition of a Euro/Asian eyewear frame manufacturer and wholesaler by a comparatively more UK/US-based eyewear design and brand management business. In a sector dominated by mainly Italian players, the due diligence focused on competitive advantage and synergy in the international market.

Fluoropolymers are a family of high-end plastics characterised by excellent chemical/mechanical properties. CSA's second project of the year was commissioned by a family wealth fund wishing to acquire an established UK fluoroplastics manufacturing and stockholding business. Due diligence sought to understand sector demand drivers, offer differentiation and bargaining power.

The UK building construction industry in 2016 was valued at £107bn with growth of 5%. CSA's third due diligence mandate, for a bank lender - where the bank-customer was a building services company undergoing an MBO, examined trading prospects related to facilities management and design and build contract work in such sweet spots as logistics/warehousing and eCommerce/B2C shopping.

Small and medium sized business enterprises laying claim to strong IP and a differentiated proposition within an identifiable sector niche can be attractive to lenders and investors given their potential to generate sustainable earnings growth. Commercial due diligence, however, helps mitigate financial relationship exposure. It provides evidenced commentary and opinion about a target-company's direction and strategy in line with foreseen levels of demand, market competition and customer satisfaction.

*For information about how CSA can help you to assess business and market attractiveness please contact:
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