

Corporate Finance Services

Owner Managed and Family-Owned Businesses

Owner Managed and Family-Owned businesses face a unique set of advantages and challenges when considering an investment transaction from outside the family or 'inner circle'.

The FTI Consulting Corporate Finance team has many years of experience working with Owner Managers and Family Businesses, including two recent successful transactions, Project Marathon and Project Musk. We understand what investors or partners are looking for, where potential deal breakers could be and how to 'package' a business for investment for maximum return to shareholders.

We believe that there is no one-size-fits-all transaction process and that a successful transaction requires a well-crafted strategy and well executed bespoke process. Our approach is therefore to journey with the shareholders every step of the way, right from the very early stages of fully understanding the business and desired outcomes of the transaction to develop the most appropriate transaction strategy and timeline, to negotiation and closure of the deal.

We provide hands-on, expert advice throughout the transaction process.

The FTI team have excellent relationships with transactors in all of the large and most active Private Equity houses in South Africa, who are a key group of potential investors in Owner Managed and Family-Owned businesses. Our networks also connect into corporates and multinational investors and we can leverage the networks and contacts of our colleagues from our offices in 29 major financial centres across the globe.

OUR M&A SERVICES INCLUDE

Execution and project management of M&A transactions

- We provide bespoke solutions to both buyers and sellers, and our team manages the transaction from origination through to completion.
- From understanding the rationale for our client's strategic objective (whether testing the investment thesis, target searching and screening) through to a successful conclusion of the transaction.

Valuation, structuring, negotiations support and diligence co-ordination

- Our M&A team works closely with clients using their experience and expertise in ensuring the price is right, our client is in control of the negotiation process and working together with our client's other advisors, ensuring a watertight sale and purchase agreement is concluded.

Market testing, leveraging our strong networks

- Our local team has strong relationships and networks within the Private Equity and Strategic buyer universe, supported by the networks of our international colleagues across six continents. Through these networks, we are able to access the most suitable and appropriate potential buyers for each unique transaction.

OTHER FTI SERVICES



Valuations

FTI Consulting South Africa provides robust, independent valuations informed by the disciplined application of data, insights and relevant frameworks.

With decades of experience and a global network and expertise, our Valuations offering helps our clients support valuations under financial reporting frameworks including defending impairment, estimating the value of assets such as interests in businesses, cash generating units, tangible and intangible assets. We perform valuations for transactions, financial reporting and for regulatory purposes including the JSE and other stock exchange fairness opinions, valuations for the South African Reserve Bank and revenue authorities.



Transaction Services

Using an industry-first approach, our senior experts work with the largest Private Equity firms, Investment Banks and Corporates providing transaction and execution – orientated services through-out the deal life cycle. From orientation to exit, we use knowledge-driven skill and experience, focusing on critical, financial, commercial and operational opportunities to help create and enhance enterprise value.

Services include:

- Buy-Side Financial Due Diligence
- Vendor Financial Due Diligence
- Vendor Assist Services



Business Transformation

Our team leads with industry expertise, working side-by-side with management, boards of directors and investors to help align business activities to key critical priorities, striking a balance between short-term and long-term goals.

Focused across the five major elements of the enterprise, our global team of more than 600 highly experienced business

transformation professionals provide an expert-driven partnership model to our clients.

We partner with our clients to support high-impact change that focuses on driving revenues, reducing costs and improving productivity. Our senior professionals have worked in your industry, know your business, understand your market and are proven functional experts - and importantly, they staff our engagements.

“I was very specific when choosing a firm to work with and guide me through what turned out to be a very complex and challenging project with an international investor, and I am so pleased to have chosen FTI and their incredible team. Working with John, Donna and Gugu over the course of a year has been an incredible pleasure from the start, always available to assist and guide me through the processes and technical aspects of the deal clearly and efficiently. I certainly would not have been able to close the transaction without their vast experience and knowledge, friendly communication and willingness to always go beyond to make things happen”

Duran de Villiers, Co-Founder and CEO, ALTI UAS (Pty) Ltd (Project Musk)

CASE STUDY - PROJECT MARATHON

FTI Consulting assisted in the successful completion of the Project Marathon transaction. The ultimate buyer, a Private Equity Investor Consortium of RMB Ventures and Bopa Moruo, acquired a 51.6% stake in the business, significantly improving the B-BBEE credentials of the business, providing access to potential new business opportunities and access to capital. The original shareholders both retain minority equity stakes in the business.

SITUATION

In August 2018, FTI Consulting South Africa were appointed as exclusive Transaction Advisor to advise the shareholders of Cargo Compass SA, one of the largest privately owned logistics and transportation businesses in South Africa, to provide a full suite of transaction advisory services for the disposal of a majority stake in the business.

The shareholders were a brother and sister team, with equal stakes in the business, which they founded in 2000. The sister was looking to retire and, with no succession within the family, sell her shares in the business. A further requirement was for the new shareholder to improve the Broad-Based Black Economic Empowerment (B-BBEE) credentials of the business, in line with the South African regulatory expectations, through a majority ownership in the business.

OUR ROLE

As exclusive Transaction Advisors, the scope of the Corporate Finance Mergers and Acquisitions team included:

- Indicative pricing
- Preparation of sale marketing documentation
- Introduction of appropriate potential buyers through the team's professional networks (trade and financial investors)
- Facilitation of the due diligence and Q&A process
- Ongoing engagement with the selected preferred bidder through the extensive due diligence phase (6 months)
- Support in final negotiations
- Support in finalisation of transaction legal documents
- Closing of the transaction

OUR IMPACT

“The FTI M&A team has walked with us step by step through this process, bringing their network relationships with both trade and Private Equity investors, industry experience and process understanding to each stage of the transaction. They have been actively involved and have added value consistently throughout the process, from the initial stages of performing an indicative valuation of our business, to identifying appropriate potential investors, to preparation of the relevant sale documentation and providing ongoing value enhancement in discussions and negotiations with potential parties. As an owner-manager, not having been through a transaction of this nature before, I value and appreciate the honest, efficient and professional approach of the FTI team every step of the way.”

Sebastiano Iorio, CEO & shareholder

Visit the link for more info on the deal: <http://ftiinsights.com/project-marathon/>

OUR AWARDS



GLOBAL STRATEGY FIRM OF THE YEAR

M&A Atlas Awards
(2017-2018)



#1 RESTRUCTURING ADVISER

Dollar volume
(2017-2019)



PROJECT MARATHON NOMINATED & SHORTLISTED

as Catalyst Private
Equity Deal of the Year
2019



JOHN GEEL

Senior Managing Director
Corporate Finance - M&A
+27 (0) 83 460 8116
john.geel@fticonsulting.com



DONNA GRAY

Senior Director
Corporate Finance - M&A
+27 (0) 83 736 5529
donna.gray@fticonsulting.com