

AUGUST 2019

LOGISTICS & SUPPLY CHAIN MANAGEMENT



UK & Ireland M&A Update – H1 2019

32
Deals completed

£241m
Aggregate disclosed deal value

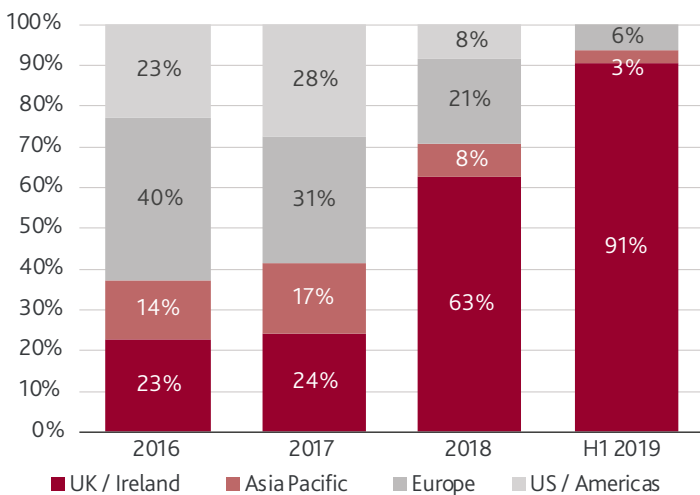
£187m
Aggregate value of deals BDO advised on

Freight Forwarding
Amongst the most active subsectors

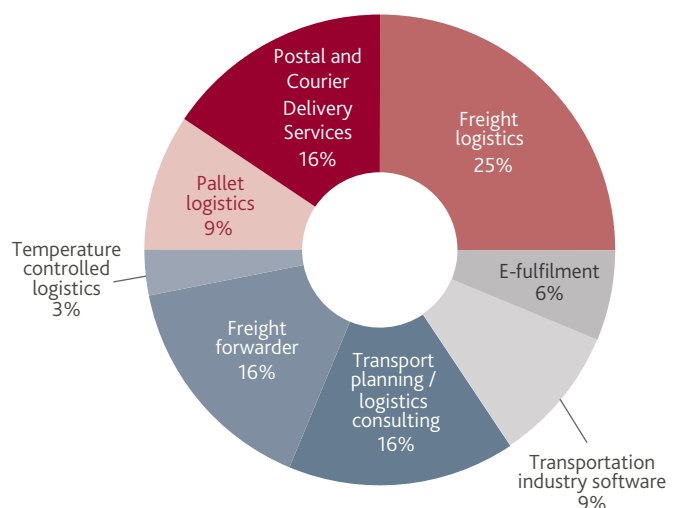
DEAL VOLUME & VALUE 2016 - 2019 (Q2)



UK & IRELAND ACQUISITIONS BY BUYER GEOGRAPHY



H1 DEALS BY SUBSECTOR



Consolidation set to continue

“ Despite the challenging and uncertain economic environment, 2019 deal volume in the logistics sector has so far been very strong. There was a slight decline in volume in Q2 2019, but this followed an exceptionally active Q1, which proved to be the most active quarter throughout the period reviewed. Interestingly, H1 activity was dominated by UK buyers and investors.

Looking forward, the question is can this strong deal activity continue? It would appear so. A third of businesses surveyed in the BDO & Barclays Logistics Confidence Index 2019 indicated that they are likely to make an acquisition in the year ahead. Consolidation in the pursuit of economies of scale to drive operational efficiencies continues to be a primary motive, but the market is also buoyed by the continuing interest and availability of private equity funds. Whilst average deal value appears to have fallen in 2019, the first half of the year was characterised by limited deal value disclosure. BDO advised on deals with an aggregate value of c.£200m over the period. ”

- JASON WHITWORTH, M&A PARTNER

BDO DEALS IN H1 2019

GBA MBO backed by Towerbrook Capital Partners

BDO acted as Lead Advisor to GBA on their minority investment from Towerbrook. GBA is the UK's leading provider of end to end finished vehicle logistics to the global automotive industry. Towerbrook's network and previous experience in logistics made it an attractive strategic partner for GBA. GBA attracted significant interest from PE as the logistics sector continues to draw investment from institutional investors with significant capital reserves.

George Walker Transport acquisition of MTH Express

BDO provided financial due diligence services to Total Capital Partners on George Walker Transport's ("Walkers") bolt-on acquisition of fellow Palletways member MTH Express. The enlarged group will have turnover of c. £50m and provides additional scale to Walkers' pallet logistics operations. This transaction is one of a number occurring in the pallet logistics industry (see also TPA Capital investment in Pallet-Track and Eddie Stobart acquisition of The Pallet Network) as businesses look for scale efficiencies.

Rhenus acquisition of CML

BDO advised the shareholders on the sale of Core Management Logistics to Rhenus Logistics. CML provides tailored 3PL solutions, incorporating warehousing, fulfilment (including e-commerce), international freight forwarding, and value-added services to the fashion retail industry. The acquisition gives the logistics behemoth Rhenus access to the burgeoning UK e-fulfilment industry as well as significant operation synergies.

The Delivery Group acquisition of OnePost

BDO acted as Lead Advisor to the shareholders of Postal Choices (t/a OnePost) on their sale to The Delivery Group. The enlarged group will have a combined annual turnover in excess of £250m, employ 500 staff and manage almost a billion items of mail and packages both in the UK and Internationally. The acquisition forms part of TDG's ongoing growth plans.

To discuss any matters arising from this update, please contact our sector team:



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