



THE CV

Matt Katz leads Buzzacott's corporate finance team - now 10-strong - which he founded on joining Buzzacott in March 2015. He was recruited from Roffe Swayne, having previously trained and learnt his corporate finance trade at Grant Thornton. He has a degree in economics from the University of Durham.

Recent deals

- Buy-side advisory for Moonbug on the acquisition of El Bebe Productions in August 2018
- Sale of Playsports to MiniClip in March 2018
- Sale of UK-based software business Pex to RealPage in the US in November 2017

YOU SAY TOMATO

Avoiding misunderstandings is vital when selling a UK business to a US buyer - even if they speak the same language, says **Matt Katz** of Buzzacott

WHAT WAS THE DEAL?

The disposal of BTC Group to Geiger in May 2018. BTC is one of the UK's leading branded and promotional merchandise businesses, selling to corporates including Microsoft, Tesco and the BBC. The deal value was not disclosed, but BTC's turnover is more than £10m and it employs about 60 staff.

WHAT WERE THE TIMESCALES?

Discussions between BTC and Geiger started in October 2017, heads were agreed in February 2018 and the deal completed in May 2018.

In this particular transaction there was no competitive process, which made it harder to ensure that the valuation

achieved was at the top end of what was realistically achievable. Positioning was therefore key, to ensure Geiger made an offer that was so compelling that BTC's shareholders felt they didn't need to create competition for the deal.

WHAT WAS YOUR ROLE?

We advised the shareholders of BTC, helping them with their initial positioning with Geiger. We then stepped in to lead negotiations, agreeing the deal on BTC's behalf. We project managed the process, including running the data room and liaising with all the lawyers and diligence teams, leading it through to a successful completion. We also provided tax advice to

the vendors and have subsequently assisted with the completion accounts.

WHO WERE THE OTHER ADVISERS?

Marriott Harrison provided legal advice to BTC. A BDO team from Washington, DC undertook financial diligence for Geiger, supported with tax advice from BDO in the UK. Shoosmiths provided legal advice to Geiger.

WHAT WAS THE STRATEGY BEHIND THE DEAL?

For the BTC shareholders it was an opportunity to both realise value for the business they had built, and to allow it to flourish under new ownership, with additional investment in systems and people. For Geiger it allowed them to compete more fully in the international market, and gave them a channel into Europe as its prospective next step. Naturally, there were also operational synergies that Geiger could benefit from. With Geiger's input and knowhow, BTC have improved the efficiency of the business, and can now

cope with significantly higher volumes from the same cost base.

WHAT WERE THE CHALLENGES?

It was the first time Geiger has made a UK acquisition. To make the transaction happen we needed to work with them to fill in their knowledge gaps. One of our specialisms is selling UK businesses to large US corporates, so we're fully familiar with the issues that can arise. There were slightly different motivations for the BTC shareholders. Frank Murphy, MD, and John Beirne, operations director, were staying on after the sale, whereas Peter Beirne, FD, was retiring. We helped maintain a good working relationship between the BTC shareholders and Geiger and kept any disagreements from escalating, and in any way prejudicing the good relationship or even the deal itself.

WHAT DID YOU LEARN?

Although we speak English in the US and UK, when it comes to M&A it is easy to have misunderstandings and these need to be resolved quickly. ●

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