

# PE backed management buyout



Lead adviser to the MBO team for the UK's largest high street retailer of music equipment.

## The deal:

Founded in 1991 by Simon Gilson and Terry Hope, Professional Music Technology (PMT) is the UK's leading multi-channel retailer of musical instrument and professional audio products with 15 stores across the UK and a growing web presence at [pmtonline.co.uk](http://pmtonline.co.uk). The business employs more than 200 staff in 16 retail stores across the UK and generates revenue in excess of £40 million per annum.

The MBO team, led by David Black approached Price Bailey to advise on their purchase of the business from Simon and Terry, who wished to retire. David identified huge opportunities for the business which include additional store roll-out, further development of own-branded products, and a greater push into ecommerce and click and collect.

Price Bailey initially assisted David in negotiating deal terms between the outgoing shareholders and MBO team before seeking funding from private equity and debt providers and managing the process to completion.

YFM were chosen as the private equity partner for the MBO team due to their wealth of experience investing in UK SMEs and notable success investing in the hobbyist retail sector.

"Price Bailey was instrumental in weaving all the threads of this complex deal together whilst helping the business with back office, outsourcing support and tax structuring. I would like to thank Simon and his team for their calming approach and for doing a fantastic job."

David Black, Managing Director  
Professional Music Technology

## How we added value:

- Deal structuring and negotiation with vendors
- Preparation of historic management accounts, financial model and business plan
- Introduction to private equity and debt funders
- Tax clearance for proposed private equity structure
- Monthly outsourcing of management information
- Advisory on remuneration and share options, VAT recovery and FCA change of control
- Management of a comprehensive due diligence process – financial, tax, legal, commercial and HR
- Introduction of lawyers, negotiation of legal documentation and project management to completion.

If you would like to discuss strategic corporate finance opportunities and how we may be able to help your business, please contact us.



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# Recent deals



The Strategic Corporate Finance team at Price Bailey have had a busy six months, advising on a range of transactions that include MBO's, fundraisings and due diligence projects. A selection of these is highlighted below:



**YFM Equity Partners**

**Sector:**  
Leisure


**Role:**  
Provided due diligence services in advance of YFM's £5m investment into Tonkotsu Limited, a London based chain of Japanese ramen restaurants.



**Survey Solutions Ltd**

**Sector:**  
Support Services


**The deal:**  
Advised management on the MBO of a leading land and measured building surveyor which was backed by RJD Partners.



**Foresight Group**

**Sector:**  
Health and Fitness


**The deal:**  
Provided due diligence on an exception reporting basis for Foresight's £4m investment into London physiotherapy company, Ten Health & Fitness.



**Hunters Contracts Ltd**

**Sector:**  
Consultancy


**The deal:**  
Advised management on the MBO of Hunters Contracts, an international furniture consultancy business with c. £40m turnover.



**Leeds Equity Partners**

**Sector:**  
Education


**The deal:**  
Provided due diligence on a UK-based legal education target, on behalf of a US-based legal education provider that is backed by a US-based Private Equity fund.



**Bluefruit Software**

**Sector:**  
Support services/software


**The deal:**  
Advised on the Employee Ownership Trust Buyout of Bluefruit Software, a provider of outsourced embedded software development and software testing teams.



**Le Col Holdings Ltd**

**Sector:**  
Apparel

**The deal:**  
Advised on Series A follow-on funding for Le Col, a high growth, designer and retailer of premium cycling apparel.



**PSI Services LLC**

**Sector:**  
Talent Assessment

**The deal:**  
Provided due diligence and advised PSI on the October 2019 acquisition of Cubiks, an innovative talent management and assessment company with revenue of c.£25m.

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