

FUNDING & ACQUISITIONS

Getting the deal done seamlessly



Despite the ongoing squeeze on margins, regulatory uncertainty, weak consumer confidence and a decline in discretionary spend, deals are still being done in the fashion and beauty sector. The more innovative, engaging and consumer-focused businesses with a strong brand presence and disruptive attitude to technology can reap the rewards from buyers with money to spend and a strong appetite to invest.

- ▶ **Brand protection** is key, with investors and trade buyers alike focusing on the strength of the brand and ensuring reputation in the marketplace can be preserved and enhanced.
- ▶ Compliance with the increasing **regulatory landscape** in this sector can make or break a deal, with brand owners needing to ensure they are on top of the regulation as it constantly changes, from ingredients being categorised as harmful, to packaging requirements, to the GDPR, any sign of potential bad press or class action suits in the US can be enough to put off the keenest of investors.
- ▶ **Consolidation** of brands and synergies in manufacture and supply chain is a clear strategy for the larger trade buyers, with the online brand owners and direct-to-consumer retailers becoming a growing threat to the more traditional outfits.
- ▶ Despite the challenging backdrop, a good brand will sell and for those businesses we are seeing a real **sellers' market**, with investors and trade buyers willing to pay high prices to secure the deal.
- ▶ Private equity funds have money to spend and the **emergence of unitranche** and other alternative debt providers has provided useful additional debt capacity to fund buyouts and growth capital investments.
- ▶ An **IPO** remains an ultimate goal for some in the industry, however recent woes in the retail sector will only dampen the already subdued IPO market.
- ▶ **We have extensive experience** advising business owners in this sector on a sale, from undertaking a legal healthcheck to ensure the business is presented in its most favourable light, to managing a seller-lead auction process and negotiating the best terms. We regularly act for trade buyers and private equity funds and can use our expertise in the sector to really add value to the process.

"We have enjoyed a relationship with the team at Addleshaw Goddard for many years, and always turn to them for help with the more significant or complex transactions for the continued growth of our business."

CFO, KURT GEIGER

How we can help

PUBLIC EQUITY	PRIVATE EQUITY
<ul style="list-style-type: none">▶ IPOs/Flotation (Official List and AIM)▶ Secondary Issues▶ Public Takeovers▶ Reorganisations and Demergers.	<ul style="list-style-type: none">▶ Leveraged buyouts (including secondary/tertiary deals)▶ Growth/development capital▶ Management team advice▶ Exits to trade and financial purchasers▶ UK PE Law Firm of the Year 2016 and 2017
PRIVATE ACQUISITIONS / DISPOSALS	BANK FINANCE
<ul style="list-style-type: none">▶ Regularly act for large well-known businesses in the sector on acquisitions and integration matters.▶ Proven track record acting for owner-managers of growing businesses on the sale to leading trade buyers.▶ Deep sector expertise to add value, identify and remedy issues and ensure the best possible terms are obtained.	<ul style="list-style-type: none">▶ Acquisition finance▶ Asset and trade/supply chain funding▶ Alternative lenders and unitranche▶ Competitive processes to obtain the best terms

Who we've helped

We have advised on a number of significant deals in the sector as well as providing routine equity and listed company advice and providing assistance in all areas of fundraising. Recent examples include advising: the shareholders of **Grace Cole**, **Ren Skincare**, **Bulldog Skincare** and **Eyeko** on the sale to well-known trade buyers; **The Hut Group** on equity fundraising and acquisitions; **Kurt Keiger** on numerous MBOs; Hobbs on a refinancing, and **Boohoo.com** on its IPO.

Who to contact

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