



RETAIL BACK IN VOGUE?

Have private equity firms, institutional investors and banks rekindled their love affair with UK retail?



Even allowing for the general drop in M&A, fundraising and lending activity triggered by the global economic downturn from 2008, the lack of appetite for such transactions involving retailers since then had felt particularly acute – not least given the very high levels of activity in the preceding years. However the period since late 2013 has seen something of a resurgence.

- Whilst growing consumer confidence certainly underpins retail being "back in fashion" to a degree, investors and funders have become more discerning in identifying those retailers they want to back.
- ▶ The relative performance of different retailers during harder times, as they have adapted to the perfect storm of a difficult high street environment alongside evolving shopper habits, has allowed investors to identify clear best in class retail businesses and management teams.
- ► The return of the IPO has seen a significant focus on retail businesses, with a number of successful listings including AO.com, Poundland, Pets at Home and boohoo.com.
- ► The emergence of unitranche and other alternative debt providers has provided useful additional debt capacity to fund buyouts and growth capital investments.

- Both public and private equity investors are attracted to businesses with a strong UK presence, but also with a differentiated proposition for customers – for example, those that can offer a truly integrated online experience alongside engaging store environments.
- ▶ Strong practical foundations providing retailers with security of distribution and supply to customers, control over brand usage, and effective mechanisms for any roll-out plans within the UK and internationally are critical for retailers looking to obtain both equity and bank finance.
- ▶ Specialist turnaround investors have continued to focus on opportunities to revitalise underperforming retailers through operation improvements to re-vamp tired business models, alongside much needed ongoing financial support.

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.

How we can help

PUBLIC EQUITY	PRIVATE EQUITY
► IPOs/Flotation (Official List and AIM)	► Leveraged buyouts (including secondary/tertiary deals)
► Secondary Issues	► Growth/development capital
► Public Takeovers	► Management team advice
► Reorganisations and Demergers	Exits to trade and financial purchasers

BANK FINANCE	OTHER TRANSACTIONS
► Acquisition finance	► Mergers and acquisitions
 Asset and trade/supply chain funding 	➤ Joint ventures
► Alternative lenders and unitranche	► Business restructuring
► Competitive processes to obtain best terms	► Turnaround investing

Who we've helped

We have advised on significant deals involving a number of UK retailers including: boohoo.com (IPO); Co-operative Group (acquisitions and disposals); Evans Cycles (MBO); Go Outdoors (growth capital); Hobbs (refinancing); JD Sports (acquisitions and disposals); Kiddicare (acquisition and disposal); Kurt Geiger (numerous MBOs); The Hut Group (equity fundraising).

Who to contact

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