



October 2015

Dealsflash



The introduction of Audi to the group is a further step in the growth of Vertu Motors, the team and I were delighted to have advised on the transaction.



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A list of UHY Hacker Young offices and corporate finance contacts can be located in the 'people' section of our website, as above.

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COMPANY SALE

ACQUISITION OF SHG HOLDINGS BY VERTU MOTORS PLC

Vertu Motors is a top 10 AM100 group, which has seen pre-tax profits rise 48.8% year-on-year to £12.8m in the six months to August 31 and a 29.5% rise for half year revenues to £1.08bn.

South Hereford Group (SHG) Holdings is a Hereford based three dealership group, which operates Audi as well as Volkswagen and Volkswagen Commercial Vehicles. It is a strong business with a great local heritage, a reputation for excellent customer service and a strong aftersales track record. The group showed revenues of £77.5m, EBITDA of £2m, profits before tax of £1.5m and net assets of £4.3m in 2014.

THE DEAL

Vertu Motors has extended its premium franchise portfolio with Audi following its acquisition of SHG Holdings for £12.8m. A further consideration of £1.5m is to be deferred for two years and will be payable under "certain conditions".

The acquisition also includes SHG's two Volkswagen Group parts distribution operations in Gloucester and Hereford and a used car and aftersales facility in South Herefordshire.

The addition of Volkswagen and Volkswagen Commercial Vehicles is another franchise first for Vertu.

This latest deal sees Vertu develop its growing national portfolio, bringing its total network of outlets to 121.

Paul Daly, partner in our Manchester office and member of UHY's national automotive group, advised on this deal.

The UHY team:

- carried out some initial investigation work including assessing the prospects of the business; and
- carried out a detailed financial and commercial due diligence exercise.

HOW WE CAN HELP YOU

Our team of corporate finance specialists at UHY have significant experience in advising and supporting business owners with their exit planning. Whether you are looking to buy or sell a business, our services are tailored to meet your individual requirements.

We can advise you on the entire transaction, from initial approaches to negotiations and completion, or carry out individual tasks, including:

- selection of target or finding the best buyer;
- initial approaches;
- timetable and planning;
- assessment and/or due diligence;
- negotiations and deal structuring;
- raising finance;
- valuation and getting the right price; and
- tax mitigation and investment planning.

For further advice please contact:

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