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Isn't there a Chinese curse whereby you wish that the focus of your anger should live in interesting times?

It seems to us that we live in interesting times. Why? Everyone has heard of the credit crunch and London-centric commentators are predicting further disasters with the FTSE falling to 5000, financial services laying off thousands and credit being so tight that no-one will have access to loans. On the other hand, businessmen outside London are quoted as finding that life goes on: customers order goods or services; businesses provide and payments are made and received.

How should we deal with this dilemma? As we always do, by trying to assist businesses and their owners to find and complete deals they wish to do. As those who know Chesham will recognise, we deal with business throughout the country. At present that extends to the Irish Republic where we are seeking a purchaser for a healthcare business which is a leader in its niche. We have projects in all states of progress, from vendors who are beginning to talk to us about a sale to a couple of deals where we expect Heads of Agreement to be signed in the next month. (As an aside, anyone familiar with merger broking will know that expectation is not always fulfilled, and even when it is, it is not fulfilled in the expected time frame!).

Thus, we have some feedback as to what is happening now "in the real world". We see that owners who wish to sell are continuing to seek buyers. Parties who have been introduced and are keen to complete a deal are being realistic and progressing towards agreement. Buyers are still inviting us to find them suitable targets.

Indeed whereas 18 months ago the received wisdom (whatever the underlying reality may have been) was that UK firms should be buying in the States owing to an advantageous exchange rate; today we are finding overseas buyers eager to buy into the UK market. An encouraging development; perhaps the outlook is not as gloomy as the more sensational press comments would have us believe?

In terms of structure, one straw in the wind is that, on a deal which is effectively a Management-Buy-In, the fund raising has been handled in an unusual way. In the recent past, the leaders of the deal would have sought commitments from equity providers before debt. Now they are seeking commitments from the bank before approaching equity providers. Is this process an indication of the way in which the credit crunch is having an impact on activity?

We touched on another aspect of this a few months ago; whilst MBO teams are tending to raise funds in this, previously unorthodox, fashion the principal hurdle they must now overcome is nonetheless the tightened rules. Interest cover of 2 is no longer considered prudent enough, 4 or sometimes an even more conservative figure is cited in conversations. When higher interest rates are also factored into the equation the inevitable conclusion is that perhaps the epoch of the leverage MBO has, for the present at any rate, run its race. While this is regrettable Chesham has weathered several downturns or recessions in its 46 year history; one of our number, who has been associated with Chesham since its early days and has thus lived through a number of cycles is reassuringly optimistic; deals will always be there to be done; the market will compensate for macro-economic forces.

For example, during the last bear market the traditional Chesham buyers - modest sized quoted companies - found great difficulty in raising capital to acquire businesses. As a result we saw an upsurge in the proportion of deals completed by Private Equity and similar buyers. Even after 2003, as the bull market began, we have seen plenty of active Private Equity and similar buyers. For a while they competed with the resurgence of the traditional Chesham buyer. Perhaps we are about to see another turn of the cycle. Private Equity deals may be turning more difficult. Already two Private Equity buyers, after expressing initial interest in a proposition but before seeing detailed information, have changed their minds. One commented "Just sitting on my hands to see how things pan out generally" as a reason for not making any progress. Yet another Private Equity partner commented to us that, for the next six months, a deal would need to be compelling for him to wish to take it forward.

For us and, more important, our vendors it is perhaps fortunate that trade buyers seem still to be keen to make acquisitions at sensible prices.