Best-Practice Guidelines in Corporate Finance

GUIDELINE

Corporate Finance Faculty

Management buyouts:
A private equity perspective

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Author
Eric Tung
Matrix Private Equity Partners LLP

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Introduction

In recent years, there have been a significant number of initiatives by governments at many levels to provide much needed stimulus for start-up and development capital to early stage and technology businesses. While this is extremely important to the long-term future of UK plc, many companies need to undergo transition before they are ready for growth and, frequently, the catalyst is a change in ownership.

Financing the acquisition of established profitable companies either by lenders, corporate or financial purchasers, has consistently fuelled the corporate finance market. In this context, management buyouts ("MBOs") have long been an established transaction type.

MBOs have consistently accounted for the largest proportion of capital invested by members of the British Venture Capital Association ("BVCA") as shown in Table 1.

These figures are all the more striking in that they only measure the activities of BVCA members. They exclude debt provided to these private equity backed MBOs, buyouts funded by bank debt only and those funded through a combination of bank debt and vendor rollover, which is an increasingly common feature of the market, particularly in smaller transactions.

MBOs are particularly attractive to the private equity industry as they consistently perform well when compared with other types of transactions. Long term return from inception of funds as measured by IRR (%pa) for funds with different investment focus are shown in Table 2 (page 3).

Factors that contribute to this include:

- incumbent management's unique and privileged understanding of the risks and prospects of their business;
- management's commitment to the success of the business due to their personal investment in the transaction; and
- a close alignment of interest between management and investors in buying the business at the lowest possible price.

This Guideline considers the MBO transaction from a private equity perspective and goes through the stages of the process. Examples from actual transactions are used where appropriate to illustrate certain points. The focus is on the process used in MBOs rather than IBOs (institutional buyouts) where, more typically, the investor and not management act as Principal in buying the business. Notwithstanding this key difference, much of the process is the same with each type of transaction.

Drivers Of MBO Activity

The pre-requisite for a MBO is a proposed change of ownership. This is usually driven by one or more of the following:

- proposed retirement of the current owners;
- the current owners' desire or preparedness to realise capital value from their past efforts;
- the current owners' need to realise cash;

Table 1

Financing stage	Number of companies			% of companies			Amount invested (£m)			% of amount invested		
	2005	2004	2003	2005	2004	2003	2005	2004	2003	2005	2004	2003
Start-up	208	190	185	16	15	14	160	96	73	2	2	2
Other early stage	285	264	242	22	20	19	222	188	190	3	3	5
Total early stage	491	454	427	38	35	33	382	284	263	5	5	7
Expansion	511	522	582	39	40	46	1,144	789	477	17	15	12
Secondary purchase	58	47	49	4	4	4	787	158	344	12	3	8
Refinancing bank debt	11	11	14	1	1	1	20	7	46	-	-	1
Total expansion	573	580	645	44	45	51	1,951	954	867	29	18	21
MBO	259	237	168	20	18	13	3,736	3,778	2,395	55	71	59
MBI	49	30	34	4	2	3	744	320	549	11	6	13
Total MBO/MBI	308	267	202	24	20	16	4,480	4,098	2,944	66	77	72
Total	1,307	1,301	1,274	100	100	100	6,813	5,336	4,074	100	100	100

Source: BVCA Report on Investment Activity 2005

Table 2

	Pre-1996 Vintage Funds	Post-1996 Vintage Funds
Early Stage	8.8	n/a
Development	10.0	n/a
Venture	n/a	-1.9
Small MBO	n/a	1.9
Mid MBO	15.8	9.3
Large MBO	18.2	18.0
Generalist	15.6	n/a

Source: BVCA Private Equity and Venture Capital Performance Measurement Survey 2005, produced in conjunction with PricewaterhouseCoopers. (A Glossary of Terms is shown in the Appendix.)

- a corporate owner disposing of the business because it is no longer regarded as part of its core activities; and
- replacement of a departing shareholder through a secondary buyout.

An interesting and relatively recent development is where the departing shareholder is a private equity house. As the private equity industry has matured and given firms' investment track records are fundamental in raising new funds, many firms have felt the strong need for full cash realisations to evidence performance. This dynamic has created an entirely credible new supply of secondary buyout transactions.

Historically, there was a stigma to these transactions that questioned why a private equity house would buy at the price and time that another would sell, but this has largely disappeared. While the incoming investor will naturally retain caution regarding the existing investor's real motivation in looking for an exit, the business in question does have the advantage of the experience and discipline required to deal with a private equity investor. It should also have been through a rigorous due diligence process before and this may offer additional comfort to the new investor.

Professional Advice Is Mandatory

Private equity practitioners continue to be surprised when they see transactions that are not advised. In what is a highly specialised field, with a deal that may involve considerable financial value, there is immediate scepticism when management teams have not engaged experienced advisers to represent their interests and to progress and manage the transaction. Private equity practitioners have a firm prejudice that transactions advised by experienced corporate financiers are of significantly higher quality than those unadvised and also have a much better chance of being concluded successfully. Private equity firms appreciate that corporate financiers' time is their most valuable asset and an adviser's decision to speculatively invest time on a transaction is some form of validation of its quality, attractiveness to financiers and likelihood of completion.

The project management requirement in a MBO is considerable and advisers take a pivotal role, acting as an interface between management, vendors, lenders and investors. In negotiating commercial terms and legal documentation, private equity investors greatly prefer having experienced advisers managing the deal. While this may lead to hard fought battles over such issues as good and bad leaver clauses and detailed warranties (see The Legal Process), it is highly preferable to fruitless discussion over standard non-negotiable investment conditions.

Preliminary Stages

Once it has been established that there is a willing seller and a willing buyer in the form of a management team, there are various "soft" issues that need to be considered in assessing whether a MBO is possible, as well as matters such as the commercial and financial prospects of the business.

One question often overlooked is the motivation behind management's desire to undertake a buyout. To the investor this is fundamental. There must be a sufficient overlap of interest between investors and management. Is it to create as much personal wealth in as short a period of time as possible? Is it to make the executive directors their own boss and would this mean there may be resistance to advice from the private equity non-executive directors? Is it for job preservation or to create a lifestyle business? Investors tend to look for management who have a driving ambition to be wealthy and, better still, with a plan for that wealth.

Example

The Managing Director of a business wishing to undertake a buyout came from a wealthy family that controlled a substantial business. His motivation was to be seen as successful outside of the family interest. As he had no personal need for any further cash due to his share of the family wealth, his measure of success was to grow his business as far as possible. This created conflicts from day one with his investors who wished to exit within a period of time to realise their investment by means of a trade sale.

Another important consideration is the team's ability to cope with the transition from being employee to owner and then deal with the inherent conflicts of being a shareholder, director and employee at the same time. This is another instance where advisers can add value by introducing a team contemplating a buyout to one that has successfully been through the process.

Finally, have members of the team asked themselves the question why should the business prosper under new ownership? Business plans often include exciting initiatives that management are going to undertake once a buyout has been completed. So, why have these not been pursued up to now? The usual response is that if they had been taken up, the performance of the business would have improved, leading to a higher price. At one level, this is a perfectly satisfactory answer. On closer examination, it is often found that many of these opportunities were present long before a MBO was ever contemplated and for one practical reason or another, had simply not been followed up.

Management need to be honest with themselves, as well as with their prospective investors and face up to these difficult questions. Investors are not looking for perfect businesses and perfect management teams for one simple reason, they rarely exist.

One of the first tasks is to agree the deal with the vendors and draw up Heads of Terms. Up to this point, the relationship between the vendors and the management team is usually one of employer and employee and this is likely to be the first instance where the relationship begins to change and which can lead to conflicts. Again, an experienced adviser can act as an interface between the parties and deal with difficult issues that arise.

Example

An extreme version of this potential difficulty occurred in a proposed MBO transaction where the relationship between the vendor and the management team deteriorated badly as the deal dragged on. Management increasingly became of the view that the vendor had become an absentee landlord and in effect had to sell to them. The vendor, on the other hand, felt that he was being unreasonably pressured into exiting his business at an undervalue. The unhappy consequence was that one week before proposed completion the vendor withdrew, the deal aborted and the entire MBO team was given notice.

Heads of Terms with the vendors typically cover:

- identity of the parties;
- the company/business/assets to be acquired;
- price and timing for payment of consideration;
- abort costs;
- warranties;
- timetable and exclusivity;
- post-completion non-compete covenants;
- conditions precedent; and
- other items specific to the transaction in question.

Negotiations on Heads of Terms with the vendors can be drawn out but it should be borne in mind that while the commercial terms should be clearly understood by all parties, generally, the only legally binding clauses are those that cover exclusivity and abort costs and detailed arguments over wordings can be somewhat pointless. One possible exception is the often referred to but less often understood concept of a "normalised level of working capital" in Heads of Terms. If this is a complicated matter and is important in the context of the transaction, as it often is, then it may be worthwhile to work through some examples for clarification purposes, by reference to historic balance sheets at various points in time.

The signing of Heads of Terms with the vendors is a key milestone in the long process of a MBO. This is where the vendors have psychologically committed to sell the business, though not legally. Sensible vendors are aware that if they change their mind after this point, their relationship with management, on whom after all they may depend to run their business, will be damaged, perhaps irreversibly. Once negotiations with the vendors are reasonably advanced, it is time to consider raising the finance to fund the transaction.

Raising Finance

Finance may be forthcoming from:

- banks and their associated asset based lending arms;
- private equity investors;
- management; and
- vendors.

It is common practice for advisers to test the appetite of the banking market in terms of the amount of debt that can be raised to fund a transaction. This is clearly desirable from management's perspective as it would quantify and, in some cases, eliminate the requirement of an equity investor, thereby leaving management with ownership of the entire business.

Private equity derives part of its return from the gearing

effect of the senior debt. For example, depending on the deal structure, the return to the investors can be more than doubled in a geared transaction compared to an un-geared transaction where the enterprise value of the business trebles in five years, with the investors holding the same equity stakes in both cases. However, maximising the quantum of the senior debt is rarely desirable as most businesses have to deal with unfavourable trading conditions at some point and debt repayments still have to be made.

In recent years, invoice discounting and factoring facilities have become a standard feature in MBOs. For the shareholders, these are attractive debt instruments as they are, effectively, quasi-permanent capital for as long as the turnover of the business is stable or growing. However, businesses which are in cyclical industries or are seasonal by nature may not be best suited as a declining revenue line will lead to an immediate reduction of facilities as compared to an overdraft facility which will remain available for as long as covenants are not breached.

In MBOs, management investment is a pre-requisite. Shrewd private equity investors will not part with their capital if management are not prepared to demonstrate their faith in the business by investing their personal wealth. The concept of “hurt money” is well understood and the objective is to ensure that management are sufficiently tied in with the business, but not to the extent that causes personal financial hardship. The amount of personal investment desirable can only be judged on a case by case basis though one year’s salary has become something of a mantra. This is far too prescriptive and private equity investors will want to have a much better understanding of the net worth of management before making any judgement. From management’s point of view, there is of course a direct relationship between the amount they invest and their equity stake post-buyout.

In addition to the quantum of investment, consideration should also be given as to who should participate in equity ownership. This should be limited to key members of the team whose contributions are vital to the success of the business and who will be motivated by being part-owners. Equity participation should not be handed out purely for reward purposes. There are many ways of rewarding management for results achieved, apart from ownership. Having a wide shareholder base creates the potential for frustration and delays when decisions that affect shareholders have to be taken quickly.

Management investment can also take more than one form. Cash investment at completion is the form most valued by private equity investors while management rollover will only carry the same impact if the rollover has a genuine cash value. This is illustrated in the situation where management are already shareholders of the business prior to the buyout and there is a cash offer available from a third party but management decide to forego cashing in their shareholding and “roll the dice again”.

Vendor loan notes or rollover have become increasingly common, particularly in smaller transactions. While these may be viewed as comparatively inexpensive forms of finance, often they are a compromise used to bridge the price expectation gap between the vendors and the purchasers. They may on occasion be seen as symptoms of overpaying for the business, as the commercial market is effectively saying that the business can only support a certain level of external finance. Some banks are known to attach less value to vendor loan notes and rollover as compared to private equity as the latter brings in discipline that may otherwise be lacking.

The Business Plan

For a detailed discussion on business plans, please refer to Guideline Issue 26. However, there are two points that are worth reinforcing here.

Private equity practitioners receive a large number of business plans every year and part of the skill is to pick out promising opportunities early. The business plan, and in particular the executive summary, needs to succinctly capture the essence of the opportunity. Too much detail at this stage does not serve any purpose and a business plan running into several volumes and appendices is unlikely to receive the necessary attention.

Secondly, investors want to hear about the business from management’s point of view, not the adviser’s. Experienced private equity practitioners are able to spot a business plan that has been polished “to an inch of its life” by advisers and these are received with scepticism.

Private Equity Investment Criteria

There are many factors to be considered in assessing the attractiveness of a business for investment such as the quality of the management team, the products/services offered by the business, the market in which it operates, competition etc. This Guideline will focus on the importance of management, reliance on vendors, pricing and valuation.

Management, Management, Management

Without a doubt, this is the most important factor for private equity investors. Who are the management of the business? It is such an obvious question and yet it is worth spending time considering the issue. In the context of a MBO, investors are looking for a team who has demonstrably been in charge of that business, ideally in its totality but at the very least, in all material aspects. This means all the major decisions have been made by members of that team for a sufficiently long period of time for results to be demonstrated. Vendors who consider MBOs as a possible route for their exit need to bear this in mind and plan in advance.

Example

An opportunity was presented as a MBO transaction and the prospective Managing Director was portrayed as the key customer contact. During customer due diligence, it transpired that all contract negotiations had in fact been carried out by the owner of the business and the designated Managing Director had simply attended these meetings as an observer and then dealt with the day-to-day operational issues with customers. Needless to say, this was unsatisfactory from the investor's point of view and the investor withdrew in due diligence.

Where there is a skill gap in the team, and this often arises in the finance function, in smaller organisations or businesses which are parts of larger groups who have historically provided support, the gap needs to be filled as soon as possible and preferably pre-completion. One of the constant complaints from corporate financiers is that transactions are taking longer to complete. This can be turned into a positive feature as it does offer the opportunity for a new team member to work with the other individuals to see whether a cohesive unit can be formed. Investors will be increasingly more comfortable with the transaction if it becomes clear that the team is working well together.

Moreover in the case of an incoming finance director, an opportunity to work on the transaction before completion and therefore take ownership of the forecast is hugely desirable, given the geared, and often highly geared, nature of the business post-buyout, whereas pre-completion, the same business may have no or minimal borrowings or even cash-in-hand.

A final word on the subject of who is the management team, consultants who have been advising a business for a few months on aspects such as sales and marketing and then decide to purchase the business are not a MBO team!

Reliance on Vendors

It is not uncommon to find that the vendors of a business in private ownership undergoing a MBO still have management responsibilities within the business or that the target business is part of a larger concern and some services are provided at a corporate level. Potential investors will need to be convinced that not only do members of the management team have the right experience in dealing with any issues that may arise out of the separation, they also require comfort that the organisational structure is sufficiently robust to cope without undue stress.

Investors will focus on matters such as the level of business referred or originated from the current owners, change of control clauses in contracts, regulatory approvals obtained through the parent organisation, the possibility of less favourable credit terms with suppliers as a result of a business of not being part of a larger organisation and the level of debt taken on as part of the MBO transaction, and the ability to bid for new business as a stand alone entity.

Example

While investors are naturally interested in the level of business generated through existing ownership, in a recent transaction, a less common set of circumstances arose where the investors were not particularly concerned initially as to whether such business was retained or not post-buyout due to the historic transfer-pricing arrangement. In this instance, the target was a supplier to the rest of the vendor group, but at prices that approached nothing much more than cost recovery for the target.

The vendor's opening negotiating position was to offer to increase the prices post-buyout but not to the level of market rates. This was not a sustainable negotiating position as the products were important to the vendor and if it would not pay market prices, it would constantly be "last in the queue" and might face the possibility of the target refusing to supply during busy periods. In the end, common sense prevailed and prices acceptable to both parties were agreed.

An increasingly thorny issue is pension arrangements, where membership of a final salary scheme is part of the

reward package of employees to be taken on by the buyout vehicle. Recent well-publicised changes in legislation have created more complexity and early consultation with the trustees of the scheme and the Pensions Regulator is highly recommended to avoid delay. It is not uncommon for potential investors to focus on this aspect of the transaction early on in the due diligence process as part of the effort to identify "deal breakers" as soon as possible.

Private equity houses prefer to hold meetings with vendors at an early stage and these can offer the vendors an opportunity to gain comfort over the degree of interest from the potential investors. Advisers are often nervous over such meetings. There is no need to be if both parties genuinely want to conclude a transaction. In any event, issues are best dealt with as early as possible in the process.

Pricing and Valuation

In addition to the growth prospects of the business in question, private equity returns are also dependent on the gearing effect of the senior debt and the private equity investment itself and price-earnings ratio arbitrage, though the last factor is not usually taken into account in appraising an opportunity and is regarded as unplanned "upside" if achieved.

Since gearing plays such an important part in the return profile, two natural areas of concern are the robustness of the cash flow of the business (which needs to be considered irrespective of the nature of the transaction) and the level of gearing to be taken on, hence the attention on pricing and valuation. Investors will carry out vigorous "downside" financial analysis to ensure that the price agreed with the vendors will not place the business under such a debt burden that is unsustainable. In many MBOs, there is also a development capital need to finance the growth of the business and investors do not wish to see the development capital effectively being used to finance the pricing of the transaction later on in the form of term debt repayments.

A further issue in pricing and valuation is the deal with management. Ratchets, a much-loved concept for some, are treated with dread by private equity investors. These incentives, which are designed to increase the amount of equity held by management or their share of the proceeds on exit, are inevitably a symptom of a mismatch in the perception of the value of the business between management and the investors. In practice, they rarely work and usually form a point of contention for all concerned after the deal and are often renegotiated.

The Offer Letter

An offer letter to management from the potential investor should clearly set out the key commercial terms such as the quantum of the investment, the various elements that comprise the investment package, their costs, conditions precedent to be satisfied prior to the investment being available, both general and specific to the transaction, and some indications of the important areas in the legal documents.

As with the Heads of Terms agreed with the vendors, generally speaking, the only legally binding clauses cover exclusivity and abort costs and detailed arguments over wordings of the offer letter simply cause delays as potential investors are unlikely to be willing to commit to due diligence costs unless they are reasonably certain that a deal has been agreed with management.

Due Diligence

The purpose of due diligence is for investors to validate their conditional agreement to complete the transaction and gain a better understanding of the risks with a transaction, with the benefit of expertise from professional advisers. Due diligence is commonly undertaken on:

- management, through referencing and often formal assessment using techniques such as psychometric testing;
- market and competition, with advice from sector specialists on growth rates, trends, opportunities and threats. Often, an exit review is also carried out, looking at issues such as the level of corporate activities, likely purchasers, desirable characteristics from a purchaser's perspective and pricing;
- customers, ascertaining the reputation of the business, its management, its position in the market and likely level of future business;
- accounting issues, looking at historic trading, cash generation, systems, management's forecast and sensitivities; and
- legal matters such as premises, terms of trade, employees, intellectual property rights, litigation etc.

Other forms of due diligence specific for the transaction are also undertaken, such as an environmental survey, technical assessment of the products/services and, where a final salary pension scheme is involved, a pension review.

Vendors are often understandably nervous over contacts to be made with third parties, particularly customers and competitors. Experienced due diligence providers are

sensitive in dealing with their concerns and the exercise is often carried out in the form of general market research and customer satisfaction survey. In reality, corporate transactions are a common feature of commercial life and many interviewees have been contacted in the past as a result of other businesses changing ownership and indeed may have undergone the same process themselves.

Tax

It is beyond the scope of this Guideline to fully consider the tax issues in a MBO transaction but it is worth highlighting recent changes that require detailed consideration.

In July 2003, a memorandum of understanding was reached between the BVCA and HM Revenue & Customs over the tax treatment of management's participation in equity where the shares acquired by management are employment-related securities within the meaning of Income Tax (Earnings and Pensions) Act 2003. The memorandum of understanding is in the nature of a "safe harbour" and while the memorandum will not bind HM Revenue & Customs, it offers valuable guidance to management and their advisers in structuring transactions in a tax efficient manner. Generally speaking, flat pricing, where management and the institutions subscribe at the same price per ordinary share, is desirable.

Additionally, as from March 2005, HM Revenue & Customs made significant changes to the tax treatment of shareholder debt, a key feature of the vast majority of MBOs that contribute a significant element of the return package to the investors. The likely effect is to limit the deductibility of interest on such debt, leading to adverse cash flow consequences for the business going forward and therefore ultimately impacting negatively on the value of businesses.

The Legal Process

A MBO will involve the formation of a new company which then purchases the target business. Where possible, it is usually desirable for a purchaser to acquire the assets required for the running of the business and to assume its liabilities, as compared to purchasing the shares of a corporate entity. The benefits to a purchaser are obvious in that it is much easier to identify and quantify liabilities that are going to be transferred. On the other hand, vendors will prefer to dispose of the share capital of an entity, otherwise they face complications in extracting the proceeds from the disposal. However, it is not always desirable for purchasers to undertake an asset purchase.

Example

In a recent transaction, an asset purchase, though acceptable to the vendors, would have resulted in all the business contracts having to be novated from the existing corporate entity to a newco, thereby creating an opportunity for the other parties to the contracts to re-negotiate their terms. Further, there were a large number of small contracts and the administrative task would have been considerable. The decision was ultimately taken to go through the route of a share purchase.

Documents that are commonly required for a MBO are:

- Sale and Purchase Agreement;
- Investment Agreement regulating the conduct of various parties post investment;
- Articles of Association of the newco which sets out the rights of various classes of shareholders;
- Loan Note/Stock Instrument in respect of the private equity gearing;
- banking documents for the senior debt and working capital facilities;
- security documents for the bank and the investors;
- inter-creditor deed regulating the relationship between the bank and other lenders such as the investor;
- Service Agreements for management; and
- various other ancillary documents such as board resolutions and financial assistance memoranda.

While lawyers have a central role in this process, the Principals in the transaction must remain in charge of the negotiation of key issues. Experience shows that key areas that are always subject to negotiation between the Principals include:

- the identity of the parties giving warranties and indemnities;
- the extent of the warranties and indemnities;
- limitation on warranty liabilities;
- restrictive covenants on management and vendors;
- provisions regulating transfers of shares, including mandatory transfers, definitions of good and bad leavers (for determining the price to be paid for leavers' shares) and drag along and tag along rights (that would assist the institutions in achieving an exit); and
- notice periods in management's Service Agreements.

After The Deal

Prior to completion, it is often desirable to draw up some form of "100 day plan", incorporating detailed actions to be undertaken, often to remedy shortcomings identified in the due diligence process. Businesses are subject to an ever-increasing multitude of legislation and regulations and it is rare for any business to be able to keep up to date with all developments. A formal due diligence process undertaken as part of a MBO is useful in identifying areas that require addressing and sometimes, these are matters that can pose a significant risk to the business concerned. Management also find it useful to periodically examine the results of the customer and market surveys to ensure that the business is constantly improving.

Exits are vital to private equity investors and it is never too early to plan for an exit. Regular reviews of the state of the business are required for a structured exit to maximise value. Management should take time to examine the issues that have made their own MBO easier and those that have been obstacles, as these issues are likely to resurface in the next transaction, irrespective of whether it is a secondary buyout or not. Advisers to the original transaction can also continue to add value by regularly updating management with details of transactions in the market, in preparation for the next deal.

Conclusion

With the support of their financiers, MBOs present an exciting opportunity for management to create real wealth for themselves and for their investors. For the vast majority of managers, the quantum of personal gains that can be realised far exceeds any remuneration that they may receive through employment. Nevertheless, for those contemplating such a transaction, they must not underestimate the effort required to complete the deal and there is no substitute for experience and advice.

In the last 20 years or so, the MBO market has matured and there are corporate financiers, lenders and investors dedicated to these transactions. With ever larger buyout funds being raised, the likelihood is that MBO transactions will continue to be a cornerstone of corporate activities.

APPENDIX
Glossary Of Terms

Pre-1996 Vintage Funds

- Early Stage: Companies in the seed (concept), start-up (within three years of a company's establishment) and early stages of development
- Development: Expansion stage companies, including MBOs with less than £10 million of equity invested
- Mid MBO: £10 million to £100 million of equity invested
- Large MBO: More than £100 million of equity invested
- Generalist: Companies in a variety of stages of development

Post-1996 Vintage Funds

- Venture: Companies in the seed (concept), start-up (within three years of a company's establishment) and early stages of development
- Small MBO: With less than £10 million of equity invested, including development capital for expansion stage companies
- Mid MBO: £10 million to £100 million of equity invested
- Large MBO: More than £100 million of equity invested

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Eric Tung
Partner
Matrix Private Equity Partners LLP
Tel: +44 (0) 20 7925 3333
Eric.Tung@matrixgroup.co.uk

Eric Tung is a partner of Matrix Private Equity Partners LLP, a fund manager that specialises in the financing of management buyouts. A chartered accountant by training, he began his career at KPMG and he has spent the last 16 years in the private equity industry, providing risk capital to owner-managed businesses. As well as transacting responsibilities, he has also held a number of appointments on the board of investee companies.

THE CORPORATE FINANCE FACULTY

The Corporate Finance Faculty is the biggest network of professionals involved in corporate finance. It has more than 5,800 members - ranging across major accounting and professional services firms, companies, banks, private equity houses, brokers, law firms and many other professional areas.

The Faculty was established by the ICAEW in 1997 - although its membership now reaches well beyond chartered accountants. It includes 66 member firms.

It is a centre of professional excellence and contributes to many governmental and regulatory consultative bodies. It provides a wide range of services, events and publications to support professionals involved in corporate finance, including the award-winning magazine Corporate Financier.

The Faculty initiated the development of the Corporate Finance Qualification for practitioners, which was launched in April 2005. For more information about the Faculty and its services, please visit its website or contact Joanne Robinson +44 (0)20 7920 8685.

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