

**DATE**

January 31, 2018

**SECTORS**

Technology & Software  
Aerospace, Defense &  
Government Services

**DEAL TYPE**

M&A Advisory  
Asia Access

**DEAL LOCATIONS**



**DEAL TEAM**



**Andrew Strudwick**  
Managing Director



**Tosh Kojima**  
Managing Director



**Sebastian Daumueller**  
Managing Director

# DC Advisory advised Cinven on the sale of Northgate Public Services to NEC Corporation



**Background:**

- Northgate Public Services (“NPS”) is a leading provider of mission-critical software and IP-led services to the public sector in the UK, Australia and Canada
- NPS works closely with government and police organisations to deploy its business platform across a broad client base that includes local police forces, tax collection offices, social security offices and housing authorities
- The Group is headquartered in the UK and has more than 2,000 staff worldwide, including over 1,400 software engineers

**Process:**

- DC Advisory (“DC”), led by Andrew Strudwick and Tosh Kojima, were engaged by Cinven in October 2017 to advise on the sale of the business following an off-market approach from NEC Corporation (“NEC”)
- DC has a proven track-record of assisting clients on cross-border deals between Europe and Asia thanks to its dedicated Asia-focused team and has a strong knowledge of the software services sector through its historical work with, inter alia, NPS and Civica
- DC provided advice to both Cinven and NPS on the positioning of the business and on negotiating a bilateral discussion with NEC
- DC managed a tight diligence and legal process to ensure that the transaction was delivered on the terms agreed in the initial offer letter

**Outcome:**



**Aya Yokouchi**  
Director



**Chris Gornall**  
Director

- NEC, the Tokyo Stock Exchange listed leader in the integration of IT and network technologies, acquired NPS for a total consideration of £475m
- The transaction signed on 9 January 2018, with completion of the transaction expected for the end of January 2018
- The existing management team, led by Steve Callaghan, will continue to run the business and following the transaction, NEC and NPS will collaborate to develop and provide safety solutions that combine software and technologies from both companies
- The companies will take advantage of NEC's biometrics technology to enhance identity authentication during police operations and administrative procedures, in addition to utilising NEC's line-up of cutting-edge AI technologies to detect social security fraud and ensure benefits are properly distributed, as well as develop NPS internationally

David Barker, Partner at Cinven commented: "DC's tactical advice and process management were second to none and critical to achieving this very positive outcome. In particular, their insights into corporate decision making of Asian strategics was crucial at the pinch points during the transaction."

Stephen Callaghan, CEO at NPS said: "The DC team's knowledge of our market and competitive landscape paid dividends in terms of helping our strategic Japanese buyer maintain focus on the key issues and value points. The team were able to provide phenomenal levels of support to our executives throughout the process, taking the load off an already stretched team. The service from DC spanned everything from in depth corporate finance expertise all the way through to getting documents in the right place at the right time and their ability to collaborate with both the buy side principals and advisors, and maintain momentum with the sell side, each on opposite sides of the world was admirable. I would wholeheartedly recommend them to anyone contemplating a transaction of this complexity and scale."

Andrew Strudwick, Managing Director at DC Advisory, commented:

“Having previously advised Cinven on the acquisition of NPS, we are delighted to have leveraged our industry leading knowledge of the public sector software solutions market and unique insights into Asian strategics to once again deliver an outstanding result for our client.”