

DATE

February 10, 2020

SECTORS

Industrials

DEAL TYPE

M&A Advisory

DEAL LOCATIONS**DEAL TEAM****Gary Hancock**
Managing Director**Michael Mariaz**
Managing Director**Alberto Tack**
Director

DC Advisory advised Cargostore on its sale to Connection Capital



Background

- Cargostore Worldwide Trading Limited (Cargostore) provides specialist transport and storage container equipment for hire or sale across the globe. It primarily serves the offshore wind, oil & gas, aid and defence markets. Cargostore was established in 1993 and is based in London, UK
- Since Agathos Management LLP (Agathos) backed the original buy-out of Cargostore in 2016, the business has developed strongly, with significant investment in its fleet and greater focus on rentals over sales driving growth

Process

- Agathos and Cargostore engaged DC Advisory (DC) to identify a new strategic acquirer or financial investor to support Cargostore through its next phase of growth
- DC worked with Agathos and Cargostore's management team to prepare Cargostore for sale, positioning the business to capitalise on its market-leading position as a customer-service-focused player, with the largest fleet of DNV-certified refrigerated containers for offshore applications
- DC worked with a targeted group of potential purchasers, issuing an information memorandum and vendor due diligence reports to facilitate the process

Outcome

- Connection Capital LLP (Connection) emerged as the successful bidder, backing Cargostore's CEO, Justin Farrington Smith to lead a £24m secondary management buy-out

- The transaction sees clients of Connection invest £7.5m in the deal, with DunPort Capital Management providing £14.5m of debt facilities to finance the transaction and Cargostore's future growth plans
- Agathos has also retained a minority stake in Cargostore to benefit from its future growth

The DC team built a strong relationship with the management team and demonstrated significant expertise to help them navigate through the process. DC took a hands-on role throughout, from insightful input to our initial strategic business planning, right through to final negotiations and completion.

Peter Williamson
Chairman at Cargostore

We selected DC for their expertise in sell-side processes, in-depth knowledge of the private equity universe and access to international strategic buyers. This combination of reach and expertise was instrumental in achieving this successful outcome. The DC team, led by Gary Hancock, provided invaluable guidance and outstanding client service throughout the process we wouldn't hesitate to work with them again.

William de Laszlo
Founding Partner at Agathos

Since Agathos backed the buyout of Cargostore three years ago, management has re-positioned the business to focus on attractive target markets delivering excellent returns on capital. The business is now well-set for its next phase of growth with the financial and strategic backing of Connection Capital.

Gary Hancock
Managing Director at DC Advisory