

DATE

June 22, 2021

SECTORS

Business & Tech-Enabled
Services
Industrials

DEAL TYPE

M&A Advisory
Debt Advisory & Restructuring

DEAL LOCATIONS



DEAL TEAM



Gary Hancock
Managing Director



Amish Bakhai
Executive Director



Ciara O'Neill
Managing Director

DC Advisory advised Fremman Capital on its proposed acquisition of VPS

FREMMAN



Background

- DC Advisory (DC) advised Fremman Capital (Fremman), a pan-European mid-market investment firm, on its proposed acquisition of VPS
- VPS (founded in 1980) pioneered bunker fuel quality testing and bunker quantity surveys
- Today, VPS is a global provider of fuel and oil testing, inspection, certification and compliance (TICC) solutions to the global shipping fleet
- VPS assists its customers in achieving measurable improvements to fuel management, fuel cost, operational efficiency, and compliance with complex marine fuel regulatory requirements - minimising energy consumption and greenhouse gas emissions
- VPS is headquartered in Rotterdam with additional laboratories strategically located in Singapore, Houston, Fujairah and Manchester

Process

- DC, led by Gary Hancock and Amish Bakhai, was engaged by Fremman in April 2021 to provide buy-side M&A and debt advice to support its acquisition of VPS
- DC leveraged its extensive experience and deep sector knowledge, as well as understanding of the target business, to support Fremman in securing exclusivity, and completion of the transaction in rapid time
- In a highly competitive process, including a challenging and extensive lockdown climate, DC provided valuation and strategic advice, assistance with commercial negotiations,

process management expertise and sector intelligence

- Led by Ciara O’Neill, DC also advised Fremman on interactions with debt finance providers, leading commercial negotiations to ensure an optimal banking package to support the transaction

Outcome

- In June 2021, Fremman entered into exclusive discussions with IK Investment Partners to acquire a majority stake in VPS. Financial terms of the intended transaction were not disclosed
- The intended transaction fits perfectly with Fremman’s strategy to invest in strong platforms in sectors with secular growth and with a clear focus on ESG
- Fremman are backing Malcolm Cooper (CEO at VPS) and his management team, to achieve their ambitious growth plans for the business
- The investment enables VPS to continue its service offering expansion, pursuing additional value creation opportunities – including selective M&A
- This transaction reinforces DC’s deep expertise in the TICC and Industrials markets, as well as boosting DC’s growing ESG focused buy-side experience

“Fremman is delighted to have worked with DC Advisory on this transaction. Their sector knowledge, technical and tactical input, and integrated M&A and debt advice allowed us to execute a complex, cross-border transaction in a challenging timeframe. This is our first transaction with DC Advisory and we look forward to working with them in future.”

Andy Chetwood
Director at Fremman Capital

“This transaction fits within a sweet spot for DC in many respects, not least given its size, profile, sector and the high quality target business. Above all, we are delighted to have supported Fremman in securing this deal – which demonstrates our shared focus on ESG – and look forward to working together in the future.”

Gary Hancock
Managing Director, DC Advisory

“It was a pleasure to work with Andy, Olivier and the Fremman team on this cross-border transaction. VPS plays a critical role in supporting its clients to operate in a safe and sustainable way and in Fremman, it has an ideal partner to support its continued organic and acquisitive growth. The transaction highlights DC Advisory’s strong track record in the highly active TICC sector.”

Amish Bakhai
Executive Director, DC Advisory