

DATE

October 05, 2022

SECTORS

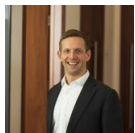
Business & Tech-Enabled
Services

DEAL TYPE

M&A Advisory

DEAL LOCATIONS**DEAL TEAM**

Amish Bakhai
Managing Director



Andrew Strudwick
Managing Director



Aiman Daud
Vice President

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DC Advisory advised Oakley Capital on its investment in Phenna Group and its parallel acquisition of CTS Group

**Background**

- Formed in 2018, Phenna Group comprises 31 independent businesses that provide specialist testing, inspection, certification & compliance (TICC) services across:
 - infrastructure;
 - built environment;
 - niche industrial,
 - pharmaceutical; and
 - certification & compliance divisions
- Phenna Group operates across 12 countries in four continents, and is one of the fastest growing TICC groups globally, with revenue growth of circa 100% CAGR over the last three years
- CTS Group (CTS) provides TICC services with a primary focus on long term civil infrastructure projects in the UK. The business has more than doubled its revenue over the last three years through organic growth and targeted acquisitions
- Oakley Capital (Oakley) is a leading, pan-European investor, backing founders and management teams of entrepreneurial, disruptive businesses to grow into international market leaders through accelerated organic growth and strategic acquisitions

Process

- DC Advisory (DC) was engaged by Oakley to provide buy-side M&A advice, based on its deep understanding of the TICC sector as well as its strong relationships with both Phenna Group and CTS
- The DC team provided Oakley with sector and business insights, valuation analysis and market intelligence, among other customary services

Outcome

- Oakley announced its investment in Phenna Group in August 2022, in partnership with co-founders Paul Barry (CEO) and David Harrison (CFO), who are reinvesting in the business
- Shortly after, Oakley announced its acquisition of CTS, which will become part of Phenna Group upon completion of both transactions. The existing CTS management team will continue to lead the business within the wider group
- CTS and Phenna Group offer complementary services. Their combined UK wide network of laboratories, site-based services and geotechnical expertise will ensure customers benefit from an expanded service offering
- The transaction further highlights DC's significant expertise in the TICC sector, with previous transactions including Inflexion's investment in Phenna Group, the acquisition of Millbrook by UTAC CERAM (backed by Eurazeo PME), Fremman's investment in VPS, OMERS' investment in Trescal, the sale of ESG to Socotec, the sale of Normec to Astorg, and the sale of Citation to HgCapital

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