

DATE

October 28, 2019

SECTORS

Consumer, Leisure & Retail

DEAL TYPE

M&A Advisory, Debt Advisory & Restructuring

DEAL LOCATIONS



DEAL TEAM



Nam Quach
Managing Director



Ciara O'Neill
Managing Director



Andrew Strudwick
Managing Director



Edward Godfrey
Executive Director

DC Advisory advised Vitruvian Partners on the acquisition of Sykes Cottages



Background:

- Sykes Cottages (Sykes) is a leading UK-based holiday property letting agency operating across the UK, Ireland and New Zealand
- Founded by Clive Sykes in 1991, the company has grown its portfolio to c.15,000 cottages across the UK and Ireland, through both organic growth and the acquisition of regional letting agencies, underpinned by a digital transformation strategy
- Additionally, Sykes entered the international market in April 2019, acquiring Bachcare, the largest regional operator in New Zealand with c.2,000 cottages
- Sykes is headquartered in Cheshire with regional offices across the UK and New Zealand and is led by CEO Graham Donoghue
- Livingbridge, a mid-market private equity firm, acquired a majority stake in 2015

Process:

- DC Advisory (DC) was engaged by Vitruvian Partners to provide M&A and debt advice in relation to the potential acquisition of Sykes Cottages
- In a competitive and tight process, and working closely with Vitruvian, DC provided strategic advice, process and sector intelligence, detailed analysis of potential UK and international M&A targets, data-driven analytics and insight into competitive dynamics
- DC's Capital Advisory Group secured an attractive debt package with existing lender EQT in addition to a facility with NatWest, maximising operational flexibility for the company
- DC also leveraged sector experience and insight across its European and US offices

Outcome:

- On 28th October 2019, Livingbridge announced the sale of Sykes to Vitruvian Partners
- The existing management team, led by CEO Graham Donoghue, will continue to guide the business under Vitruvian's ownership
- Vitruvian is well placed to support Sykes through the next stage of its growth story, leveraging Vitruvian's extensive experience in the travel technology sector
- The UK market remains highly fragmented and under Vitruvian's ownership Sykes will continue its proven M&A strategy domestically, in addition to furthering its international presence

Sykes Holiday Cottages has gone from strength to strength, growing from a trusted family-run business to one of the largest holiday home rental platforms in Europe. In Sykes we have found a team with a mission to become a global category leader and we hope to support that with our experience and capital. We back exceptional high-growth technology-enabled businesses with proven leadership teams and are excited to partner with Sykes Holiday Cottages during its next phase of growth.

Ben Johnson
Partner, Vitruvian Partners

We are delighted to have worked with Vitruvian and to have advised them on their successful acquisition. This transaction further enhances our credentials in the travel & leisure sectors and we look forward to working with Vitruvian again in the future.

Nam Quach
Managing Director, DC Advisory UK