

DATE

July 16, 2019

SECTORS

Business & Tech-Enabled
Services

DEAL LOCATIONS**DEAL TEAM**

James Pople
Managing Director



Ciara O'Neill
Managing Director



Nitin Bhatia
Managing Director



Joe Donohue
Vice-Chairman

DC Advisory advised Equistone on the acquisition of Acuity Knowledge Services

**Background**

- Acuity Knowledge Partners (Acuity) was established in 2014 through the merger of the Moody's subsidiaries Copal Partners and Amba Research, and is a market-leading knowledge process outsourcing business to the financial services industry, with a growing, blue-chip client base of over 250 institutions, globally
- The business is headquartered in London and operates across nine offices worldwide, employing a specialist workforce of over 2,500 highly trained analysts
- Following several years of significant investment, the business has developed a market-leading technology offering ("BEAT") for its clients, offering domain expertise across sectors such as investment banking, investment research, private equity & consulting, and commercial lending

Process

- DC Advisory (DC), led by James Pople, was engaged by Equistone in Spring 2019 to provide full scope buy-side M&A and debt advice on the acquisition of Acuity
- In a complex, competitive process, and working closely with Equistone, DC provided valuation and strategic advice, assistance with commercial negotiations, as well as providing sector intelligence and process management expertise
- The DC team comprised M&A expertise in London, New York and India, and the London-based Capital Advisory team also advised Equistone on all interactions with potential lenders, leading commercial negotiations with the ultimate lender Apollo to ensure the optimal banking package to support the acquisition



Oliver Ramskill
Vice President

Outcome

- On 16th July 2019, Moody's announced the divestment of the Acuity business, in an MBO supported by Equistone and led by incumbent division CEO, Robert King
- The market for bespoke research and analytical support to the financial services sector has expanded significantly in the past decade, and Acuity has capitalised on that growth to become firmly entrenched in each of its key areas, including investment banking, investment research and commercial lending
- In 2019, the business is forecast to generate revenues of \$110 million across North America, Europe and Asia, with management looking to build on its established core markets by continuing growth into newer sectors, including private equity and consulting
- Under Equistone's ownership, Acuity will continue to develop its technology offering, broadening the suite of products and services available to its clients and reinforcing its commitment to quality as an independent, customer-focussed business
- The transaction illustrates DC's long-standing experience in the business services outsourcing market and our expertise in coordinating complex situations, such as this cross-border carve-out
- The financial terms of the deal were not disclosed and the transaction is expected to complete in Q4 2019

Richard Briault, Investment Director, Equistone: We are delighted to have acquired Acuity and to back Robert and the rest of the management team. We chose to work with DC given the complexities of the business and process and the fact that DC's international reach gave us not only M&A and debt advice in the UK, but support on the ground in India and in the US. James and the team provided us with strong support throughout the transaction process and we are pleased to have executed another transaction alongside them.

James Pople
Managing Director, DC Advisory

The DC / Equistone relationship continues to go from strength to strength, and we are extremely pleased to have advised them on another successful transaction. The acquisition and carve-out of Acuity

Knowledge Partners represents a fantastic opportunity to back a high quality management team in an exciting sector, and we are confident that through a combination of Acuity's experience and the expertise of Robert and his team, Acuity's future looks bright.