

DATE

March 05, 2021

SECTORS

Technology & Software

DEAL LOCATIONS



DEAL TEAM



Alexander Luycx
Managing Director



Andrew Strudwick
Managing Director

DC Advisory advised Providence Equity Partners on the acquisition of Node4 from Bowmark Capital and Lloyds Development Capital

PROVIDENCEEQUITY

NODE4


BOWMARK
CAPITAL

Background

- Node4 is a leading hybrid cloud-led digital transformation managed services provider (MSP) based in the UK
- Over the past five years, Node4 has achieved strong organic growth through significant new customer wins and the provision of a broader range of information and communications solutions to its existing clients. During this period, significant investment has been made in people, systems, skills and the product portfolio, which has positioned Node4 to capitalise on the opportunity for cloud-led digital transformation growth
- Node4's growth has been supported by three strategic acquisitions which have further enhanced the company's technical capabilities and provided access to new vertical

markets

- Most recently, Node4 acquired Starcom Technologies, the MSP division of K3 Business Technologies Group – marking the largest acquisition by headcount in Node4’s history
- Node4 is now better positioned to deliver enhanced cloud managed services throughout the UK in addition to expanding its operational presence in Scotland, North West and South East England

Process

- In January 2021, DC Advisory (DC) was engaged by Providence Equity Partners (Providence), a premier specialist private equity firm
- DC was engaged to provide M&A advice in relation to the potential acquisition of Node4 from Bowmark Capital (Bowmark) and Lloyds Development Capital (LDC)
- DC provided Providence with valuation support, financial analyses, market research, management of the due diligence process, strategic advice on value creation, and tactical process advice

Outcome

- Providence announced its agreement to invest in Node4 on 3 of March 2021
- Providence will support Node4 in the next stage of the company’s journey and provide the catalyst the company needs to scale in line with management’s ambitious vision
- The existing management team, led by Chief Executive Officer Andy Gilbert, will remain with the business
- The transaction sees mid-market private equity firms Bowmark and LDC realise their investments
- Detailed terms of the transaction were not disclosed

We were pleased with the support we received from the DC Advisory team and would like to thank them for all their efforts. We look forward to working together again in the future.

Michaël Vervisch, Managing Director, Providence

It has been a real pleasure advising Providence on this marquee transaction in the sector. The backing by Providence gives Andy Gilbert

and the company a great partner to drive continued growth of the business and consolidation of the sector. We wish the Providence team, Andy Gilbert and the company all the success.

Alexander Lyucx, Managing Director, DC Advisory

Our advisory role to Providence on the acquisition of Node4 further demonstrates DC Advisory's capabilities of servicing private equity on the buy-side, combining unique sponsor coverage and shareholder relationships with deep sector expertise. Congratulations to the Providence team with this very exciting investment.

Andrew Strudwick, Managing Director, DC Advisory