

STEADY, READY, SELL

Realise your agency's true value

“Moore Kingston Smith were true partners from the outset, helping us document and present our business most effectively, achieve the best commercial results whilst also supporting the relationship building process with our new owners. They were, without exception, good people to work with – pragmatic, extremely articulate around the intricacies of the financial process we were navigating, going the extra mile for our cause.”

Luke Hammersley, Zebra Worldwide

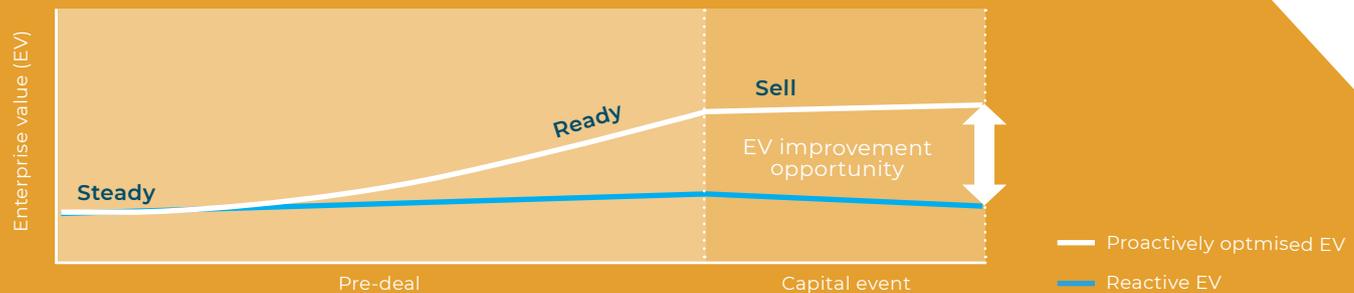
Most media and marketing agencies are founded by people with a passion for the industry, seeing a way to deliver better creative products and services for their clients. As agencies grow, so their value increases and the owners consider a future sale to reap the reward of their hard work. **But what is the right price, and how do you achieve it?**

Agencies with an attractive proposition, a strong client list and significant profitability will certainly find interested potential acquirers. However, these factors alone don't guarantee the best possible valuation. Indeed, without careful planning for an exit, entrepreneurs risk their business becoming either unsellable or significantly undervalued.

WITHOUT CAREFUL PLANNING FOR AN EXIT, ENTREPRENEURS RISK THEIR BUSINESS BECOMING EITHER UNSELLABLE OR SIGNIFICANTLY UNDERVALUED.

Our industry research shows that agencies which achieve the highest possible valuations have worked closely with their advisers in advance of their sale, proactively working on optimising their enterprise value (EV) by:

- Understanding the key drivers of EV (i.e. what buyers most look for, and how they value prospective acquisitions/investments);
- Objectively assessing how the agency fares relative to those drivers (from the perspective of potential buyers/investors);
- Identifying, prioritising and focusing the agency's resources on those actions and initiatives that will deliver greatest relative improvement in EV;
- Implementing improvement initiatives well ahead of sale (because waiting until 12 months before a preferred exit date could lead to some potential EV-uplift being missed).



Proactive management and improvement of the key drivers of EV can generate a substantial improvement in performance, profitability and EV...and render an agency a far more attractive investment option for a wider pool of buyers.

With the right proactive planning, focus and support, you can optimise enterprise value and successfully navigate the sale process. The key is to know where to focus – and how to increase the key drivers of valuation – in the two to three years before exit. **Failure to do this will reduce saleability or dilute enterprise value, as buyer due diligence will identify any areas of weakness that will reduce the sale price.**

Our media corporate finance team is uniquely placed to partner with you in planning for a successful sale. With a number of successful media sector exits under our belt, we know what we're doing. We have extensive experience of working with agencies to realise premium valuations.

We're not just corporate finance professionals and accountants; we also provide precisely the kind of strategic growth advisory support to drive the greatest potential uplifts in performance and EV. Our team is expert at helping organisations to achieve step-changes in performance in key areas such as:

BUSINESS DEVELOPMENT

- How to efficiently generate more (and better-quality) leads
- How to increase sales conversion rates
- How to increase profit-per-sale
- How to grow accounts

TALENT MANAGEMENT

- How to improve recruitment and retention of key personnel
- How to better engage and incentivise key people (so that buyers/investors have confidence they will remain in the agency post-sale)

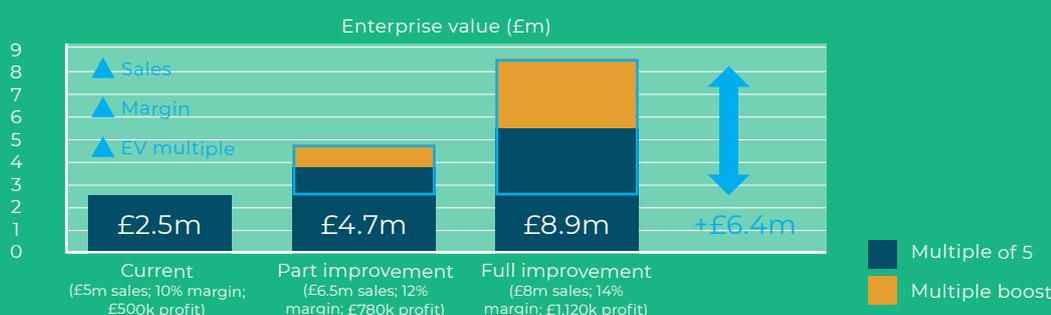
FINANCE & OPERATIONS

- How to use outsourcing to simultaneously improve operational performance and profitability
- How to proactively manage tax to maximise net income and shareholder wealth

STRATEGY & PLANNING

- How to produce useful management information that will drive smart decision-making
- How to create compelling and realistic strategies, business plans and metrics that will impress buyers

This combination of experience and expertise means that we understand who the best buyers are, and what they want. We know precisely how to help agencies **maximise EV in a way that ensures the final sale process is efficient, comfortable and ultimately successful, with an optimal EV realised.** The payback for investing time in proactively managing your exit can be substantial, usually delivering increases in both profitability and the exit EBITDA multiple that is subsequently achieved at time of sale.



By teaching clients powerful improvement methods that are fast, easy and effective to deploy, we help them improve sales, margins, profitability and EBITDA multiples...thereby ensuring that EV is maximised at time of sale.

We typically begin the EV optimisation journey by conducting a short sale readiness workshop. Here we outline the key drivers of EV, explain how a sale process might work (and how to make it work to your advantage) and assess where the priority areas for EV improvement lie. We then work alongside you to ensure that these key improvement opportunities are realised in full so that EV is maximised at exit.

ABOUT MOORE KINGSTON SMITH

We are award-winning corporate finance specialists trained as both accountants and strategic advisers. That means we can help you to develop, borrow, buy, merge, expand and sell.



Kingston Smith Corporate Finance
Most Outstanding Corporate Finance
Advisory Firm 2019 - UK



We are sector specialists. From start-ups to multinationals, our clients are businesses in the media, marketing services and IT services sectors. We help realise their enterprise value. We have vast experience of working with agencies and understand the nuances of transactions in their sector.

As thought leaders, we regularly research what drives success in the media and marketing sectors, and publish benchmarking reports that help industry participants understand how to improve performance. We share key lessons with our clients, so that they outperform industry norms and achieve premium prices.

We can advise agencies and shareholders alike across such areas as strategic business development, corporate and personal tax, HR consulting, accountancy and wealth management, in addition to our corporate finance services.

We have an extensive network in the UK and beyond. We have access to numerous deal databases and potential acquirers both in the UK and internationally through our Moore Global Network. When you are looking to sell, we can rapidly access decision-makers within acquisitive organisations and across our private equity network, enabling us to deliver the most credible and appropriate buyers willing to pay a premium price for your business.

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