

Sector: Gas service



Deal Type

Share sale

Deal Size

Confidential

About the deal

We were instructed to act on a share sale whereby the sellers were selling their interest in a company over a period of up to 12 years.

The initial deal was for a 51% stake in the company to be sold to the buyers. As a result, the buyers' would have had nominal control of the company from completion. An option agreement was then put in place giving the buyer the right to purchase a further 25% of the shares from the sellers, this option could be exercised by the buyer, at any time during the first year after completion.

A second option agreement was also entered into giving the buyer the right to purchase the final 24% of the shares from the sellers. This second option could be exercised by the buyer at any time between the second anniversary of completion of the initial share sale and the twelfth anniversary.

The reason for the two option agreements was to enable the sellers to retain an interest in the business and develop new products that could be taken to market. The future value of the shares that are to be sold under the option agreements are to be calculated by reference to the Company's EBITDA when the option is exercised. Therefore if the sellers continue to grow the business they will see an increased return per share as the options are exercised by the buyer.

The advantage to the sellers of the deal was that they were able to realise some of the value in the company that they had incorporated and also through the sale they are now able to focus on product development which will assist in growing the business whilst the buyer can focus on back office issues.

As well as advising on the sale agreement and option agreements, we worked alongside our employment team to provide advice on settlement agreements that the sellers were asked to enter into and new employment contracts.

The business is based on the south coast and therefore much of the communication was by way of email, telephone and the use of datarooms to share numerous documents. This shows the way in which the team at Birkett Long embrace technology to get a deal done.

Team member who led on the matter



Tim Field

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What our clients say

The service from your firm was excellent - instructive and supportive to our company in a significant deal for us with many unchartered aspects.

We highly valued the realistic commercial advice and concise, best-friendly guidance that you provided for us.

For further press information please contact Jennie Skingsley at Birkett Long

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