



# UK BUY-OUTS REPORT

Fourth Quarter 2018

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THE CENTRE FOR  
MANAGEMENT  
BUY-OUT RESEARCH

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The Centre for Management Buy-out Research is supported by Equistone Partners Europe (formerly Barclays Private Equity Limited) and Investec Bank having been founded in March 1986 to monitor and analyse management buy-outs in a comprehensive and objective way. It has developed a wide-ranging and detailed database which provides the only complete set of statistics on management buy-outs and buy-ins in the UK and continental Europe. The Centre is part of Imperial College Business School.

Centre for Management Buy-out Research (CMBOR)  
Imperial College Business School  
Tanaka Building  
South Kensington Campus  
London SW7 2AZ  
Telephone: 0207 594 9194  
e-mail: [mike.wright@imperial.ac.uk](mailto:mike.wright@imperial.ac.uk)  
[rod.ball@imperial.ac.uk](mailto:rod.ball@imperial.ac.uk)

Equistone Partners Europe Limited  
One New Ludgate  
60 Ludgate Hill  
London EC4M 7AW  
Telephone: +44 (0)20 7653 5300  
e-mail: [Christiaan.Marriott@equistone.uk](mailto:Christiaan.Marriott@equistone.uk)

Investec Bank  
30 Gresham Street  
London, EC2V 7QN  
Telephone: +44 (0)20 7597 4216  
e-mail: [callum.bell@investec.co.uk](mailto:callum.bell@investec.co.uk)

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# CMBOR Methodology

Data only includes the buy-out stage of the private equity market (MBO, MBI, IBO, BIMBO) and does not include any other stage such as Seed, Start up, Development or Expansion capital.

Unless otherwise stated, data includes all buy-outs whether private equity backed or not and there is no size limit to deals recorded.

In order to be included as a buy-out, over 50 percent of the issued share capital of the company has to change ownership, with either management or a private equity company or both jointly having a controlling stake upon deal completion.

Buy-outs and buy-ins must be either management led or led by a private equity company using equity capital primarily raised from one or more private equity funds.

Transactions which are deemed not to adhere to the private equity or MBO/MBI model are not included.

Transactions which are funded from other types of funds such as Real Estate funds and Infrastructure funds are not included. Deals in which a private equity firm buys property as an investment are not included.

In order to be included, the target company (the buy-out) must have its own separate financing structure and must not be held as a subsidiary of a parent holding company after the buy-out.

Firms that are purchased by companies owned by a private equity firm are treated as acquisitions and are not included in the buy-out statistics. However, these deals are recorded in the 'Acquisitions by buy-out companies' statistics.

All quoted values derive from the total transaction value of the buy-out (Enterprise value) and include both equity and debt.

The buy-out location is the location of the headquarters of the target company and it is not related to the location of the private equity company.

## Main abbreviations and terms

|                 |  |
|-----------------|--|
| Debt/EBIT Ratio | Senior debt divided by EBIT (Earnings before interest and tax)       |
| P/E Ratio       | Transaction value divided by EBIT (Earnings before interest and tax) |
| PTP             | Public to Private  |
| TMT             | Technology, Media & Telecommunications                               |
| Creditor Exit   | An exit resulting in cessation of trading (Exit value is zero)       |

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