



Oaklins

Managed network services provider in the UK **secures minority investment**

DEAL FLASH | TMT | MARCH 2021

DEAL SNAPSHOT

Systal Technology Solutions Ltd. (Systal), one of the UK's fastest growing providers of managed network services, has sold a minority stake to Inflexion Private Equity Partners LLP; a move that will help Systal continue to accelerate its international growth.

Systal was founded in 2008 and is based in Glasgow, Scotland, with a presence in the USA and Asia. Owner-managed since inception, the company offers a high-quality, mission-critical managed network service from its 24/7 network operations center, to service blue-chip multinational clients' IT networks globally.

Inflexion is one of the UK's leading independent mid-market private equity houses, investing in high growth, entrepreneurial businesses with ambitious management teams.

“Oaklins Cavendish understood our ambitions from day one and went to great lengths to understand the minutiae of the business in order to effectively position the investment proposition as it evolved during the transaction. They were not just an advisor, but a true partner to the Systal team throughout the process all the way through to completion.”

NEIL NICOLSON
CEO, SYSTAL TECHNOLOGY
SOLUTIONS LTD., UK

OAKLINS FOUND THE **BEST PARTNER TO EXPAND THE BUSINESS**

Oaklins Cavendish advised Systal on the sale of a minority stake. The team had a thorough and detailed understanding of the business to make sure the marketing launch was aligned with its commercial development. It was also important to favorably position Systal's full-suite service offering, high levels of recurring revenue across its managed services offering and strong growth trajectory to really drive value. Successfully managing the due diligence process was crucial to ensuring all parties were kept to a tightly controlled schedule.



MARKET TRENDS & DEAL DRIVERS

Large enterprises are increasingly adopting managed network services to drive operational cost reductions and to ensure consistency and reliability across their services.

Systal is well placed to continue taking advantage of this growing market as it has quickly established a strong reputation for itself in the industry with a growing roster of high caliber clients across the globe.

M&A VALUATION ASPECTS

There was strong interest from a private equity-only buyer pool with a significant number of first-round offers received. This enabled Oaklins Cavendish to drive strong competitive tension until the very end.

An excellent deal structure was achieved which focused on securing significant overall value for the shareholders both now and at the time of an exit, given the expected future performance of the business.

TALK TO OUR ADVISORS

✉ JOHN FARRUGIA

Managing Partner
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With over 20 years' experience, John focuses on the technology M&A sector. Most recently, he advised Netmaster Holdings Limited (CaseLines) on its sale to Thomson Reuters Corporation. Other clients include Indigo Telecom Group, TPAY Mobile FZ-LLC and OneStep Solutions.

✉ CHRIS MALCOLM

Director
United Kingdom
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Chris has over 16 years' experience covering the global technology, media and telecommunications space. Recently, he advised the shareholders of Miles 33 on the sale of the business to Naviga.

“Working with ambitious tech companies such as Systal is central to our approach and we’re delighted to help partner Systal with Inflexion as the two are aligned in both culture and vision for the future. This transaction builds on the success of Oaklins’ TMT team, which has gone from strength to strength in recent years.”

JOHN FARRUGIA
MANAGING PARTNER, OAKLINS CAVENDISH



OAKLINS HAS CLOSED 1,107 DEALS IN TMT

Oaklins is the world's most experienced mid-market M&A advisor, with over 850 professionals globally and dedicated industry teams in more than 45 countries. We have closed 1,700 transactions in the past five years.

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