

UK employee engagement solutions provider **secures majority investment**

DEAL FLASH | BUSINESS SUPPORT SERVICES | SEPTEMBER 2021

DEAL SNAPSHOT

Castik Capital and Abry Partners, both leading global private equity firms, have entered into an agreement to jointly acquire a majority stake in Xexec Ltd.

Based in London, UK, Xexec is an employee engagement provider that offers a wide range of employee discounts and reward & recognition solutions. Through its scalable cloud-based platform, this helps companies to engage, connect, retain and motivate their employees.

Castik is a European multi-strategy investment firm that generates long-term value through partnerships with management teams. Abry is one of the most successful sector-focused private equity investment firms in North America.

With Castik and Abry's global expertise and network in the employee benefits and rewards sector, the partnership will seek to further strengthen Xexec's employee engagement modules and support the company's further expansion in the USA.

“Thank you to the fantastic team at Oaklins Cavendish for their unwavering support, dedication, work ethic and belief in Xexec's mission. They were instrumental in bringing the deal to a successful completion and provided invaluable guidance throughout the process. We look forward to our new partnership with the Castik and Abry teams, who are the ideal partners as we continue to expand our business and pursue the next phase of our strategy.”

JACQUELINE BENJAMIN
JOINT FOUNDER AND CO-CEO
XEXEC LTD., UK

OAKLINS ASSISTS IN FINDING THE RIGHT PARTNERS

Oaklins Cavendish, based in the UK, advised Xexec on the sale of a majority stake to Castik Capital and Abry Partners. Leveraging its in-depth sector knowledge of the employee benefits and rewards market, the team ran a competitive dual-track marketing process, generating strong interest from both UK-based and international trade and private equity buyers. With a tight timetable, they successfully managed this from inception to completion and negotiated equitable legal terms on behalf of the founding shareholders.

xexec
driving engagement

MARKET TRENDS & DEAL DRIVERS

The employee benefits and rewards software space is forecast to experience significant growth over the next few years, having been only moderately penetrated, while the universe of product providers is undergoing significant market consolidation fueled by private equity capital.

Since the COVID-19 pandemic, employers are now placing increased emphasis on their internal employee benefit and reward offerings in order to improve business performance from a more engaged workforce, increase their ability to attract top talent, reduce costs associated with employee turnover and stay connected in a new world of remote working.

M&A VALUATION ASPECTS

The Oaklins Cavendish team gained a thorough understanding of the business through a detailed preparation exercise. This was to ensure optimal market positioning and maximization of value.

Multiple bids were received for the business, ensuring competitive tension to further drive valuation parameters. This enabled the team to successfully structure a deal well above the client's expectations.

TALK TO OUR ADVISORS

✉ JOHN FARRUGIA

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With over 20 years' experience, John has advised clients across a variety of segments, including human capital management, internet and media, application software, SaaS, infrastructure software, online gaming, IT security, storage and tech-enabled services, involving M&A (sell-side and buy-side), LBOs, public takeovers, public-to-private and fundraisings. Clients he has advised recently include Systal Technology Solutions, CaseLines and JJK Personel Ltd.

✉ MIKE DINSDALE

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Mike's areas of expertise are in the TMT and business support services sectors. Notable deals he has advised on include the sale of Star Practice Management to IRIS Software Group, the sale of Indigo Telecom Group to Growth Capital Partners and the sale of Marketmakers to Centaur Media plc.

✉ SAM KAVANAGH

Associate Director
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Sam has been involved in a number of mandates across a variety of sectors, including consumer, business services and technology. Recent transactions include the growth capital equity fundraise of YourParkingSpace with Pelican Capital, the sale of Java Republic to Cafento and the sale of Avicenna Holdings to Juno Health.



“We are delighted to have advised the shareholders on this successful transaction. This partnership will allow Xexec to accelerate its growth plans, leveraging Abry and Castik's global expertise and network in the technology sector whilst supporting the company's further expansion.”

JOHN FARRUGIA

MANAGING PARTNER, OAKLINS CAVENDISH, UK

OAKLINS HAS CLOSED 631 DEALS IN BUSINESS SUPPORT SERVICES

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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