

Oaklins



# Perfect alignment between UK's largest independent home services company and global franchisor

DEAL FLASH | CONSUMER & RETAIL | OCTOBER 2021

## DEAL SNAPSHOT

**Neighborly Inc. (Neighborly), the world's largest franchisor of home service brands, has acquired Pimlico Plumbers (Pimlico), a leading independent emergency repair assistance provider to both the residential and commercial sectors in London.**

Founded in 1979, Pimlico provides a suite of end-to-end services ranging from its core offerings of heating and plumbing to its ancillary services of electrics, carpentry, jetting, roofing, appliance repairs and air-con installation.

Neighborly, backed by private equity firm KKR, currently manages 29 brands across 19 service verticals, with approximately 1,500 associates operating in nine countries across North America and Europe. With Neighborly's well-established market presence in the UK and diverse sector expertise, the new strategic partnership will seek to further strengthen Pimlico's ancillary service offering and provide a strong platform to accelerate future expansion plans on a national level.

"I would like to thank everyone involved in the process that has concluded with us choosing Neighborly as our partner going forward, especially Oaklins Cavendish and our CFO Mike Bergin, without whom this would not have happened."

**SCOTT MULLINS**

CEO

PIMLICO PLUMBERS, UK

## OAKLINS PLAYED A MAJOR ROLE IN FACILITATING THIS DEAL

Oaklins Cavendish, based in the UK, advised Pimlico on the sale to Neighborly. The team gained a thorough understanding of the business through a comprehensive preparation stage. This enabled them to position Pimlico as a trusted premium brand with a highly differentiated customer proposition, all underpinned by robust financial and market fundamentals. The team successfully managed the process from inception to completion, obtaining a premium valuation and negotiating equitable terms on behalf of the shareholders.



## MARKET TRENDS & DEAL DRIVERS

Despite the recent economic uncertainty driven by Brexit and the COVID-19 pandemic, emergency service market dynamics have proved to be extremely resilient. This is attributable to the essential nature of the services provided by this sector.

The UK market remains fragmented, with high barriers for new entrants. Only a select number of operators compete on a comparable scale to Pimlico, with increasing market share being the key driver for future growth.

Strategic consolidation has stimulated M&A activity in the market, with several larger players aiming to acquire mid-sized operators in geographically targeted regions. Talented engineer pools and established customer portfolios are also standard prerequisites for acquisitive buyers.

## M&A VALUATION ASPECTS

Oaklins Cavendish ran a competitive dual-track marketing process, generating interest from both UK-based and international trade and private equity buyers. This allowed the team to assist the shareholders in carefully selecting the best partner for Pimlico to support its long-term growth objectives.

Multiple bids were received for the business, ensuring competitive tension throughout to further drive valuation parameters. This ultimately led to the team structuring a deal well above the clients' expectations.

## TALK TO OUR ADVISORS

### ✉ JOHN FARRUGIA

Managing Partner  
United Kingdom  
T: +44 20 7908 6033

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 Xexec Ltd.

### ✉ REBECCA MCCREDIE

Director  
United Kingdom  
T: +44 20 7908 6018

Rebecca has worked on a number of successful sale mandates in the consumer, technology, healthcare and business service sectors. Recent transactions include the sales of Lay & Wheeler to Coterie Limited, Orlebar Brown to Chanel, OKA to InvestIndustrial, OneStep to Civica, and John Ross Jr to PR Foods as well as a fundraising for Mindful Chef from Piper.

### ✉ SAM KAVANAGH

Associate Director  
United Kingdom  
T: +44 20 7908 6018

Sam has been involved in a number of mandates across a variety of sectors, including consumer, business services and technology. Recent transactions include the sale of Xexec Ltd. to Castik Capital and Abry Partners, and the growth capital equity fundraise of YourParkingSpace with Pelican Capital.



"Pimlico Plumbers is a fantastic business with a strong track record and growth potential as well as an excellent reputation for customer service. I am hugely proud of the work the team has done in positioning the brand, strategically maximizing the valuation and building a close rapport and trust with the client."

**JOHN FARRUGIA**

MANAGING PARTNER, OAKLINS CAVENDISH, UK

**OAKLINS HAS CLOSED 680 DEALS  
IN CONSUMER & RETAIL**

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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