



Large independent UK self-storage business **acquired by global investor syndicate**

DEAL FLASH | BUSINESS SUPPORT SERVICES | JULY 2023

DEAL SNAPSHOT

An investor syndicate comprising funds advised by Davidson Kempner Capital Management LP and Pithos Capital has acquired UK Storage Company Ltd.

Originally focused in the southwest of England, UK Storage Company has a portfolio of 28 well-invested sites comprising both leasehold and freehold properties that altogether consist of 11,000 storage units. This translates to about 900,000 square feet of built rentable space. Founded in 2005, the business has expanded its geographic presence through a carefully considered site selection process, with facilities that today span a large part of the country, from Redruth to Leeds. It now employs approximately 40 staff.

Davidson Kempner Capital Management LP is a US private equity firm, and Pithos Capital Holding is a family office focused on European self-storage opportunities.

“We are delighted to have found a perfect match to drive the growth of the company we founded in 2005. After a rigorous sale process, we have no doubt that Davidson Kempner/Pithos Capital will continue to develop the company as the UK’s largest independent self-storage provider, and we look forward to following its progress. The Oaklins Cavendish team did a fantastic job, running a truly competitive process and managing the transaction with great skill. They were instrumental in delivering this deal and the successful outcome.”

KEITH TAYLOR
CO-FOUNDER
UK STORAGE COMPANY LTD.
UNITED KINGDOM

OAKLINS WAS INSTRUMENTAL IN FACILITATING THIS DEAL

Oaklins Cavendish, based in the UK, advised the founders on their complete exit following nearly 20 years of growing the company to be the country’s largest independent self-storage business, with an impressive staffless site and light-touch customer onboarding model. Oaklins Cavendish ran a full auction process, obtaining a total number of offers that reached double digits, before driving value by utilizing this competitive tension to negotiate the optimum deal value and structure for the vendors.



MARKET TRENDS & DEAL DRIVERS

Strong EBITDA margins and cash flow conversion are hallmarks of the self-storage market, with strong growth in occupancy and pricing driving a series of record-breaking years across the industry.

Many European countries continue to be underserved in terms of storage, as space remains high cost and homeowners and businesses continue to accumulate more assets, an issue particularly prevalent closer to larger towns and cities.

Investment and consolidation in the sector are led by the appeal of the financial performance of leading operators, as well as the huge growth opportunities for replicable models.

M&A VALUATION ASPECTS

Valuations in the storage sector are derived from discounted cash flow (DCF) analysis, taking into account a multitude of factors, but most importantly the site ownership status (freehold vs leasehold).

While EBITDA multiples can be applied where appropriate, buyer and investor decision-making is largely driven by the certainty of future cash flows and the robustness of pricing and occupancy levels.

TALK TO OUR ADVISORS



✉ **HARRY RADBURN**

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United Kingdom
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Harry has experience in executing sell-side, buy-side, capital and debt raising transactions across a range of sectors, with a particular focus on the business service and technology markets. Recent transactions he has been involved in include the sale of Therapy Equipment Ltd. to ESAB Corporation, and the sale of MBI Healthcare Technologies to DNV AS.



✉ **NEHAL PATEL**

Director
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Nehal has over 18 years' experience in advising FTSE plc boards, management teams, private equity and owner-managers/ entrepreneurs on a range of M&A transactions. His experience extends across sectors, but with a focus on business services and healthcare. Some of his prior transactions include the acquisition of EasyGyms to Gym Group plc and the sale of Inmind Healthcare to Fairhome plc.



✉ **PETER GRAY**

Partner
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Peter has extensive experience in the business support services industry and has closed many deals in the sector in the past few years, including the sale of ACT Clean, a provider of cleaning services to upscale restaurants and hotel groups; the sale of the flexible office broker Flexioffices to private equity house NVM; and the sale of Headspace, a provider of upscale flexible office space, to BE Offices.

“We are very proud to have advised on this deal, further cementing Oaklins Cavendish’s expertise in the business support services space. This transaction is particularly significant given the company’s scale in the UK and history of strong financial performance as well as its huge growth potential. Congratulations to Keith, Cathy and all involved on a successful deal.”

HARRY RADBURN
SENIOR ASSOCIATE
OAKLINS CAVENDISH

**OAKLINS HAS CLOSED 636 DEALS
IN BUSINESS SUPPORT SERVICES**

United by a strong belief that we can achieve the extraordinary. Oaklins is a global team of 850+ financial advisory professionals in 45 countries providing M&A, growth equity, ECM, debt advisory and corporate finance services to support entrepreneurs, corporates and investors in reaching their goals.

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