

JAPANESE ENTRY INTO DEBT ENFORCEMENT INDUSTRY

Deal snapshot

- Cavendish, an Oaklins member firm in the UK, has advised on the sale of JBW Group Limited (JBW) and its sister company Case Dynamics Limited (CDL) to OUTSOURCING Inc. for US\$34.5 million.
- JBW is a judicial services business that provides debt enforcement and data analytics services to UK government agencies, including Transport for London. It was founded in 2004, employs over 100 people and operates from two locations in the UK.
- OUTSOURCING Inc. is a Japanese multinational company headquartered in Tokyo specialized in data management, IT and business process outsourcing (BPO) solutions. With a presence in Japan, China, Indonesia, Australia, United Kingdom and Belgium, among others, it employs over 24,000 people.



What our client said



Jamie Waller, founder of JBW Group Limited, UK

"After running a formal process to find the right partner to help us grow JBW and take it to its next level, OUTSOURCING Inc. were the natural choice. We had many expressions of interest and offers of investment, but none were as compelling as this one. Cavendish's specialist team were without doubt the best choice of advisors for JBW and me personally. Together with Oaklins' member firm in Japan, they brought huge value to the process."

Our role in the transaction

Cavendish, an Oaklins member firm in the UK, and our team in Japan advised the shareholders of JBW exclusively on the sale of the companies. OUTSOURCING was introduced by the Japanese team, who assisted throughout the sale process, demonstrating the organization's added value through its global execution capabilities, industry expertise and contacts.



Market trends and deal drivers

- Debt enforcement has become an increasingly attractive market in the UK since the introduction of new regulations in 2014. The fees are now set by legislation and not subject to negotiation with client or debtor, giving good visibility over future revenues.
- The market is set to grow as a consequence of the pressure on public finances. The UK government's aim is to improve debt recovery through better utilization of public sector expertise, as such increasing the addressable market for debt enforcement agencies. There are also high barriers to entry in the market, as new work is typically won through a procurement process.
- OUTSOURCING's aim is to become the leading global outsourcing company and it was keen to expand its outsourcing offering into the debt recovery and enforcement sector. In addition, OUTSOURCING identified the potential to harness JBW's best-in-class technology for use in other applications.

M&A valuation aspects

- The transaction values JBW at over US\$33 million, which is equivalent to an EV/EBITDA multiple of over 10x.
- CDL was valued separately at approximately US\$1.5 million.

Oaklins industry specialists



✉ **Peter Gray**, Partner, Cavendish, an Oaklins member firm, UK

Peter has advised on the sale of over 80 businesses, including the sale of Freedom Finance Ltd, the UK's largest personal loan broker, to Target Group, a portfolio company of SOF Amex fund; the sale of a minority stake in World First UK Limited to FTV Capital; and the sale of Mackenzie Hall, a leading UK consumer debt collector and purchase group, to Portfolio Recovery Associates, Inc. (PRA), among others



✉ **Andrew Jeffs**, Partner, Cavendish, an Oaklins member firm, UK

Andrew has advised on the sale of over 40 private businesses, many of them cross-border deals. He has worked on transactions in a range of sectors including the sale of West One Loans Limited, a facilitator of bridging loans to Enterprise Finance, the UK's largest specialist distributor of secured loans; and the sale of Mackenzie Hall to PRA, among others.

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