

UNDER THE HAMMER

Deal snapshot

- Cavendish, an Oaklins member firm in the UK, advised the shareholders of SMA Vehicle Remarketing Limited (SMA), the UK motor auction and services group, on the sale of the company to BCA Marketplace plc (BCA), the market leader in the European vehicle remarketing sector.
- BCA provides a pivotal liquidity service to the automotive market. The vehicle remarketing division facilitates the exchange of used vehicles between vendors and buyers through both physical and online auctions across twelve countries in Europe, as well as through a joint venture in Brazil.
- SMA has a multi-channel approach, selling vehicles online and through its five physical auction sites, offering dedicated sales for cars, and light and heavy commercial vehicles. In addition, SMA offers a range of value-added services to vendors, including inspection services, transport services and tactical repair.
- SMA's shareholders comprised management and a consortium of private individuals.



What our client and buyer said

Mark Rijkse, Shareholder and Director, SMA, UK

"We have thoroughly enjoyed working with the team at Cavendish, an Oaklins member firm in the UK. They offered us unstinting support and valuable advice throughout the transaction, and were instrumental in helping us achieve this result."

Avril Palmer-Baunack, Executive Chairman, BCA, UK

"We are delighted to have completed this value-accretive acquisition so soon after listing BCA and to be delivering on our previously stated intention to pursue both organic and non-organic routes to accelerate growth of the auction exchange and support services. We welcome the SMA management team to the BCA group and look forward to working with them to continue to provide a pre-eminent service to our buyers and vendors."



Our role in the transaction

Cavendish's specialist team advised the shareholders of SMA Vehicle Remarketing exclusively on the sale to BCA Marketplace, providing detailed process knowledge and structuring advice.

Market trends and deal drivers

- Vehicle remarketing businesses play a crucial role in the automotive market, enabling leasing companies and dealers to recycle their capital by selling used vehicles to wholesale and retail buyers in an efficient and orderly manner.
- Increasingly, this requires them to offer physical and online auctions, combining a major investment in physical infrastructure and technology.
- This investment requirement is driving consolidation in the sector, with more volumes gravitating towards the largest, most efficient operators.
- The acquisition of SMA will help BCA to meet increased demand for its core auction services. It serves to support customers' capacity requirements, extends BCA's geographical footprint in the UK and enhances BCA's offering to vendors and buyers through a wider range of services and improved efficiencies.

M&A valuation aspects

- The transaction values SMA at US\$66 million, equivalent to an EV/EBITDA multiple of 9x.
- The EV/EBITDA valuation was supported by the substantial freehold property assets of SMA, which are worth around US\$30 million.

Oaklins industry specialists



✉ **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, and focuses on the business services sector.



✉ **Jonas P. Knudsen**, Partner and Business Support Services Specialist, Oaklins, Denmark

Jonas has advised numerous business support services clients on M&A transactions, including Bureau Veritas (TIC), ISS (contract services), Dansk Bygningsanalyse (TIC), Promecon (industrial services) and Skandinavisk Industriservice (industrial services).

OAKLINS HAS CLOSED 146 DEALS IN BUSINESS SUPPORT SERVICES IN THE LAST FIVE YEARS

Oaklins is the world's most experienced mid-market M&A advisor, with 700 professionals globally and dedicated industry teams in 40 countries worldwide. We have closed over 1,500 transactions in the past five years.