

CASE STUDY

ATG MEDIA

Global pioneer of webcast and timed online auction platforms

The Client

ATG Media is a global pioneer of webcast and timed online auction platforms which enable bidders around the world to browse fully illustrated sales catalogues and place bids in real time, with live audio and video feeds delivering the auction room atmosphere. Bidders are also able to participate in timed, online only auctions. The company's sites, which include the-saleroom.com, i-bidder.com, BidSpotter.co.uk and BidSpotter.com, have exceptional brand recognition and sold 1.3m lots totalling in excess of £260m.

ATG Media is also owner of antiques industry bible, Antiques Trade Gazette, the first publication to market art and antique auctions on a national and international basis and the leading publication in its field. The weekly magazine continues to be the definitive source of information on and promotion of art and antique auctions, with a solid subscriber base in 42 countries.

Following a management buyout ATG's senior management team had significantly grown the business within a matter of years by expanding its platforms and providing auctioneers with a larger bidder base. The team were now keen to capitalise on ATG's market-leading position, further strengthening the business and realising a return on their investment.

Anne Somers, CEO of ATG Media, explains, "With the right backing and expertise, ATG Media has the potential to become an international powerhouse. We wanted to find a partner that could help us realise our ambitions, but culture and personality were also important to us as we needed to work well together for the long-term."

Background

ATG Media was keen not to rush into a sale process but rather wanted to ensure that the business was well-prepared and strongly positioned for a sale. ATG Media's chairman, Bob Fairchild, explains, "ATG is a complex organisation that spans both traditional publishing as well as new technology. We knew that the way in which the company was positioned would have a dramatic impact on value so sought an advisor who would get to know and understand the business in detail and advise on how to maximise value."

Following a highly competitive selection process, ATG Media selected FirstCapital as its exclusive advisor. "FirstCapital stood out for their expertise but also their ability to listen and respond to our specific requirements," says Anne. "They were also extremely personable and we felt that we would work well together through what could have been a challenging process."

Bob adds, "I had previously been impressed by FirstCapital's management of the sale of another technology company where they delivered an outstanding deal for shareholders. When we met to discuss ATG, FirstCapital demonstrated their knowledge of and focus on strategic buyers better than any of the other advisors we consulted."

"FirstCapital achieved all of ATG Media's objectives: finding the right partner, selling our business for a premium and securing excellent terms. They managed the process expertly yet always focussed on achieving the best for our company and our shareholders."



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The Opportunity

FirstCapital worked closely with ATG Media's senior team to understand the company in detail in order to prepare the business for sale and craft a compelling proposition for potential acquirers. Anne comments, "FirstCapital impressed us with their questioning, probing the way in which the management team viewed the business and helping us to develop our current model."

As well as contributing to the business model and assisting with the preparation of a 3-year financial forecast, FirstCapital was also closely involved when ATG Media acquired US company, BidSpotter.com, advising on the structure of the deal and its future impact on valuation. "Over time, FirstCapital became part of our business rather than simply being an external resource," adds Anne.

When the time was right to go to market, FirstCapital leveraged its insight and astute approach to market ATG Media. As Anne explains, "FirstCapital had an intimate knowledge of private equity firms, individuals, their appetite for deals and how to ensure that the opportunity appealed to higher-level PE funds." ATG Media rapidly attracted an extremely high level of interest from numerous respected private equity firms in Europe and the USA. Bob comments, "The quantity and value of offers received exceeded expectations, which clearly reflects the quality of the proposition and information that FirstCapital constructed as well as their clear understanding of strategic buyers."

Providing detailed analysis of each offer, FirstCapital advised on next steps, managed a second round of bids, and finally steered ATG Media through the exclusivity phase with the preferred bidder to a successful close. Bob comments "FirstCapital dealt expertly with issues that inevitably arose during the process. They continually went the extra mile – nothing was ever too much – and our admiration for them increased the more we worked with them."

The Result

Following a highly competitive process, which elicited bids from every company that was approached, ATG Media concluded a deal with one of the UK's leading private equity firms, ECI Partners. With its strong track record of partnering with fast-growing, innovative technology companies, ECI is perfectly placed to support ATG Media's continued expansion and growth.

Tom Wrenn, Partner and Head of TMT at ECI, comments, "FirstCapital ran a very well managed, transparent process for ATG. Jason and his team were well prepared, responsive and professional and maintained excellent communications throughout."

Crucially, ECI was also ATG Media's preferred partner in terms of culture and personality – a key success factor for the business' senior management team.

"FirstCapital achieved all of ATG Media's objectives: finding the right partner, selling our business for a premium and securing excellent terms," comments Anne. "They managed the process expertly yet always focussed on achieving the best for our company and our shareholders."

Bob concludes, "FirstCapital exceeded our already high expectations and proved to be the best corporate finance advisor that I have worked with. They provided a stream of excellent advice, instilled confidence and trust that increased throughout the process and ultimately secured for ATG the ideal partner and a premium valuation."

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Anne Somers, CEO