



The CV

Mark Wilson is managing partner of Headpoint Advisors, a firm he founded in January 2019. He previously spent 15 years with Catalyst Corporate Finance, which became Alantra in 2017, and before that five years with Netherlands-based private equity firm Greenfield Capital Partners. He has a degree in industrial engineering and initially worked as an engineer at Siemens.

Recent deals

- Advised Insider Media on its sale to National World plc in April 2023
- Advised Sweetfuels on its sale to NWF Group plc in December 2022
- Advised GForces on investment by Inflexion Private Equity and its merger with Autofutura in April 2021

On my CV

Building blocks

If expectations are not initially met, be patient and address buyer value issues before re-engaging, is the advice from **Mark Wilson** of Headpoint

What was the deal?

The sale of Besblock to Aggregate Industries (AI), part of the Switzerland-headquartered Holcim Group. Besblock was a 50-year-old family-owned business based in Telford, manufacturing more than two million square metres of building blocks annually for housebuilders across the Midlands. In the year to April 2022, Besblock made £3.7m of EBITDA on £16m of turnover. It focuses on sustainability and aims for carbon-neutral production, making concrete blocks with high thermal and audio performance, as well as ease of use in construction.

What was the timetable?

We were introduced to Besblock's owner Andrew Huxley in March 2021. Andrew had received approaches from buyers in the past, but rejected them as he had wanted to continue building the business. However, the time had come when the next phase of growth would need a partner with deeper pockets able to expand the business nationally.

We prepared the business for sale and went to market in summer 2021. We received

several strong indicative offers, but none fully met Andrew's expectations. Furthermore, AI had just appointed Dragan Maksimovic as CEO and acquisition activity was paused. We parked the process and worked out what value points we needed to address. We resumed in the last quarter of 2022 and completed in early May this year.

Who were the advisers?

I led the corporate finance team, supported by Oliver Stephens and Emmet Keating. A team from Higgs led by Jamie Partington provided legal advice to the owners. The company's auditors Dyke Yaxley provided accounting and tax advice. AI largely used an internal team for corporate finance, due diligence and legals with support from Addleshaw Goddard.

What had improved before the process restarted?

There was a lot of housebuilding demand post-COVID-19, but still pressure across the supply chain. Besblock's products and service played well into that dynamic - volumes grew strongly and margins were maintained at high levels, an excellent recipe for profit growth.

Coupled with this, there's a big drive across the industry for sustainability. Besblock was commissioning a large biomass plant just as we went to market in 2021. The cost benefits only started coming in 2022, and were enhanced when gas prices rocketed, as it replaced gas with steam generated by its recycled wood biomass process.

How competitive was the process?

Eight international construction materials groups and one private equity buyer expressed interest, but we always believed the business would go to trade. We had a handful of indicative offers, which helped negotiations, ultimately securing the best final offer from AI, who became the preferred bidder. Besblock was a customer of AI, so Andrew was familiar with its products and operations.

What were the challenges?

The turbulence caused by the government in September 2022 didn't help short-term confidence across the UK construction sector, but thankfully we were selling to strategic buyers looking at investment cycles on a 10-year-plus basis.

The industry is extremely well networked so we were careful about the potential for leaks. Discussions were at a senior level and we were always clear that it was a competitive process. AI was doing another transaction, so patience was needed to allow its internal deal teams to complete the other deal, but it did delay our completion timetable a bit.