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**BRANDPOTENTIAL**

WHERE COMMERCIAL & CREATIVE MEET

# CONFIDENCE TO INVEST

with Josh Hunt & Emily Thornlor

The growing importance of brand for Private Equity Investors  
& the growing importance of Private Equity for brands

08/06/23

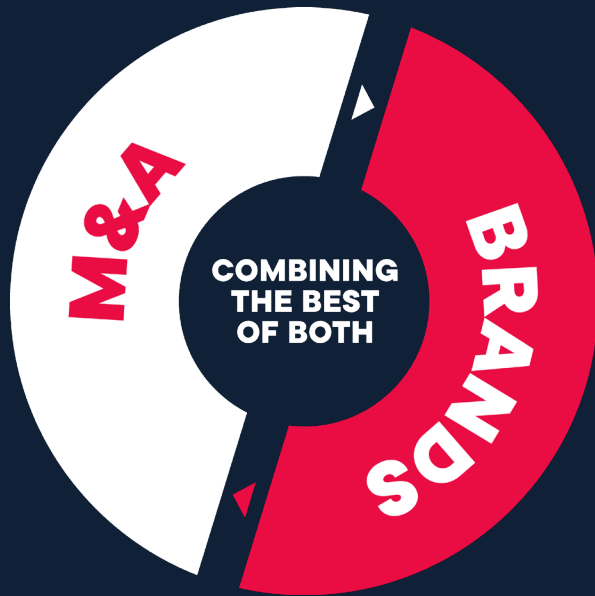
IN PARTNERSHIP WITH

**RealDeals**

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# PRIVATE EQUITY - AN INTRODUCTION

Private Equity is a form of investment where funds are raised and invested in private organisations.



WE BRING  
M&A THINKING  
TO BRANDS; AND  
BRAND THINKING  
TO M&A

2023 BRAND  
SENSE CHECK  
SURVEY  
IN PARTNERSHIP WITH  
RealDeals

# PRIVATE EQUITY IS MAKING A **GROWING** **CONTRIBUTION** TO THE UK ECONOMY

and playing an increasingly important role in shaping the future of some of our most iconic brands

- / Employs 2.2m people (7% of UK workforce)
- / Generate £137bn of GDP in '23 - 6% of total UK economy
- / £75bn of employee earnings from PE & VC backed businesses

**Dr.  
Martens**

**LVE**

**AA**

**BIRKENSTOCK®**

**ASDA**

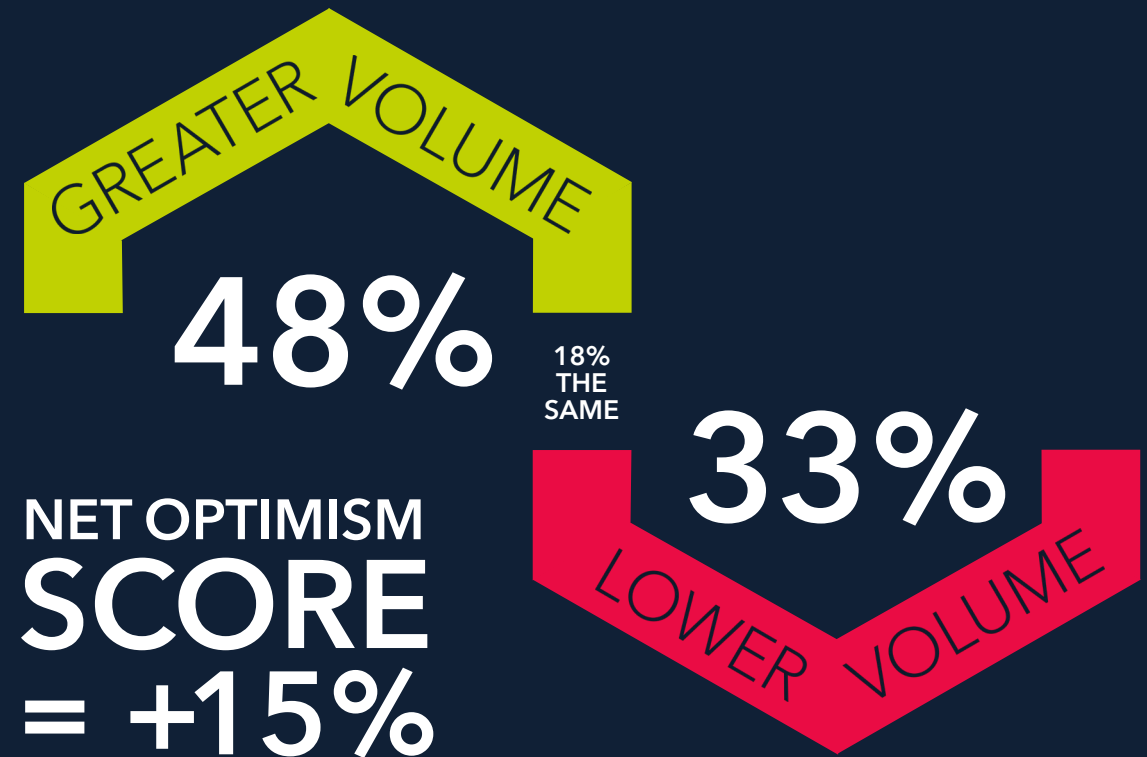
**Morrisons**



SINCE 1886  
**HOVIS®**

# CAUTIOUS OPTIMISM IN THE DEALS MARKET

Whilst the sector hasn't been immune to current market volatility, deal volumes are predicted to return to growth in H2 2023



# BRAND IS THE DIFFERENTIATOR & BUILDS CONFIDENCE AT THE DEAL STAGE

A strong brand is being increasingly recognised as a significant contributor to the enterprise value of a business, and not just amongst consumer brands.

In commoditised markets, brand is the differentiator, it can drive up confidence, and the sale multiples of a business.

# 48%

agree that assessing the strength of the brand when looking at an investment opportunity is very important across diverse sectors.



Manufacturing



Industrials



Education



Consumer goods



Climate & sustainability



Business/professional services



Waste management

# DON'T JUST TAKE OUR WORD FOR IT

Brand is even more important in waste management

Buyers and consumers are now looking beyond a product or service. They want to know a business's positive societal, environmental and community impact. **A powerful and simple way to communicate purpose or impact is through brand; trusted brands that convey the power of positive impact will be the brands of the future.**



BRUCE BRATLEY, FOUNDER & CEO OF FIRST MILE  
(BACKED BY GROWTH CAPITAL PARTNERS)



**BRANDPOTENTIAL**

And the no.1 characteristic  
PE investors look for in a brand?

# A CLEAR VISION FOR MID-TERM GROWTH

whilst being able to demonstrate the  
'room in the tank' for future investors.

Highlights the importance of painting a  
picture of the brand you will become, even  
beyond the next investment cycle.

CLEAR VISION FOR MID-TERM & LONG-TERM GROWTH



40%

CLEAR & DISTINCT BRAND POSITIONING



40%

LOYAL & ENGAGED CUSTOMER BASE



36%

STRONG & SUSTAINABLE COMPETITIVE BRAND ADVANTAGE



28%

CLEARLY DEFINED CUSTOMER OR CONSUMER TARGET



28%

STRONG LEADERSHIP TEAM



28%

SCALABLE PRODUCTS OR SERVICES



20%

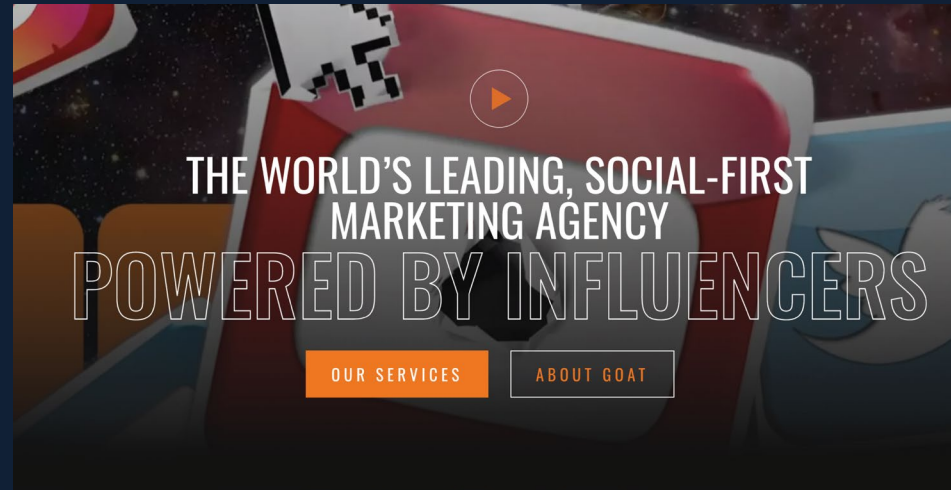
BRAND IS ALIGNED WITH SOCIETAL & SECTOR TRENDS



16%

When you are looking at an investment opportunity,  
what are the most important characteristics of  
a strong brand?

# STRONG BRANDS FEATURED IN THE MOST EYE-CATCHING DEALS OF THE LAST YEAR



The premium, authentic French brand positioning of St Pierre enabled the company to achieve significant growth & scale in the US & Europe & also resonates with consumers globally.

RYAN FREEMAN, MANAGING DIRECTOR  
AT HARRIS WILLIAMS

Goat's proven track record in the influencer marketing space paired with GroupM's record of excellence will continue to build on our unparalleled expertise in this area.

MARK READ  
WPP CHIEF EXECUTIVE



# PRIVATE EQUITY OWNERSHIP OFFERS SIGNIFICANT BENEFITS TO BRANDS OVER OTHER FORMS OF OWNERSHIP

OPERATIONAL  
& COMMERCIAL  
EXCELLENCE

ACCESS TO  
TALENT &  
EXPERTISE IN  
PARTICULAR  
AREAS

GUIDANCE FROM  
EXPERIENCED  
INVESTORS &  
ADVISORS

MORE OF AN  
ENTREPRENEURIAL  
SPIRIT

ACCESS TO  
FUNDS TO  
DRIVE GROWTH  
/ INVESTMENTS

A SENSE OF  
URGENCY TO  
MAKE THINGS  
HAPPEN

Some of the benefits that PE brings to brands over other ownership structures

# WHAT SECTORS ARE PE INVESTORS INTERESTED IN RIGHT NOW?

We're seeing an increasing focus on getting more out of life. Consumers have an ever-greater awareness of the role of supplements, sleep & exercise as well as a greater understanding of mental health.

JAX UNSWORTH, PIPER PE

TECHNOLOGY & MEDIA

HEALTHCARE

HEALTH & WELLNESS

FINANCIAL SERVICES / FINTECH

PETFOOD / PETCARE

E-COMMERCE RETAIL  
INCLUDING ONLINE MARKETPLACES

# And the least attractive sectors: DIY, HOME & GARDENS, FASHION & HIGH ST RETAIL

We anticipate see a comeback from 2024/25, as disruptive brands trigger new opportunities for investors.

swyft



PATCH



ANYVAN



allbirds





WE SEE A  
**BRIGHTER FUTURE**  
TOGETHER

# BRANDPOTENTIAL

WHERE COMMERCIAL & CREATIVE MEET

## THANK YOU!

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