Management Buyout

In the summer of 2022, the senior management of a substantial industrial group approached us to structure and negotiate the acquisition of operating plants from a foreign owner. The business manufactures precision measuring instruments used in oil and gas production — assets that had to keep running through closing, not sit in a holding pattern while the paper was fought over.

This was not a clean auction with a patient seller. It was a management buyout against a much larger counterparty, under time pressure, with the seller's residual risk, cash extraction, and optional buyback rights all in play at once.

Unequal leverage

In a transaction of this kind, negotiating weight decides the first draft. The seller came in with a large international firm, a long-form English document set, and a clear preference: limit post-closing exposure, accelerate repatriation of proceeds, and retain a path back into the equity if circumstances later moved in their favour. Those asks are rational for an exiting owner. They are also how a plant ends up undercapitalised, option-encumbered, or operationally constrained after the managers have already paid.

Our brief was to get the managers to a price and a structure they could fund and operate — without accepting a paper that looked like a sale and behaved like a lease with a call option on top.

The file

The work ran more than eight months. The documentation was measured in hundreds of pages: share and asset transfer mechanics, representations that had to survive a hurried diligence window, limitations on seller liability, completion accounts, and the interplay between completion, leakage, and any deferred or contingent consideration.

The negotiating table was lopsided. One of our lawyers sat opposite a full opposing team. The language of the deal was English. The standard of the other side was big-firm process. What mattered was not matching their headcount. It was knowing the structure well enough to push back on the clauses that actually move value —

repatriation mechanics, buyback and reserved rights, indemnities that expire before the risk does — and to tell the client when a point was worth a delay and when it was not.

Cross-border files of this size turn on whether opposing counsel takes you seriously. That is earned in the mark-up, not in the pitch.

Close

The transaction completed on terms both sides could sign. The managers took the plants. The seller exited. The operating business remained with the team that already ran it — without a hidden option sitting on the equity and without a completion structure that would have starved the assets on day one.

That is the deal: a management buyout of industrial production capacity, negotiated under unequal leverage, documented to international standard, and closed.

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