

Enhancing value by dealing with an underperforming part of the group

Hill & Smith PLC

The situation

The client approached us for advice regarding their pipe supports business, which was non-core to its' main activities, was loss making and problematic to manage. The client wanted to announce plans to exit the pipe supports business at its preliminary announcement for its year end results and asked us to assist.

How we helped

Working with local management, we assembled a cross border Deloitte team from Thailand, China and India and the UK to provide a high level view on the exit options available to the business and the key issues it would need to consider, including working capital optimisation.

We were further engaged to oversee the implementation of the wind down and closure of manufacturing sites in the UK, Thailand, China and subsequent redeployment and expansion to India.

The outcome

Following our Phase 1 work, an announcement was made to the City which saw the share price for Hill & Smith plc jump 19% to its highest level. This was in part due to the overall performance of the group but also a recognition that the loss making Pipes Support Group had been addressed, demonstrating to the City that the Board had taken decisive action and contributing to the jump in share price.

