

Accountancy firm Azets' owner runs numbers on £1.5bn sale

The owner of one of Britain's fastest-growing accountancy firms is drawing up plans for a sale that could value it at close to £1.5bn.

Sky News has learnt that Hg, the private equity firm, has hired investment bankers at JP Morgan to oversee an auction of Azets.

City sources said on Thursday that a sale was likely to put a price tag on Azets – which was previously called Cogital – of between £1bn and £1.5bn.

Azets claims to be the largest provider of business-critical services such as accounting work, payroll and tax to small and medium-sized businesses in northern Europe.

In total, it boasts more than 100,000 SME customers.

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The company trades under a number of brands, including Blick Rothenberg, which formed part of a 2016 merger that saw Hg become a shareholder in the business.

Since then, it has made a string of acquisitions to bolster its presence in several countries.

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Cogital was jointly founded by John Connolly, the former Deloitte UK chief executive and one of the most prominent figures in Britain's professional services sector.

Mr Connolly, a former chairman of the security services provider G4S, subsequently left the business.

In 2019, Hg held talks about the sale of a sizeable stake in Cogital to several other private equity firms, including Permira and BC Partners, but a transaction was never completed.

The group's rebranding under the Azets name took place the following year.

It recently announced a strategic partnership with Xero, an

accounting software provider.

A sale process for Azets is unlikely to commence until next year, according to insiders.

When it does, it will take place against a backdrop of accelerating structural change in the accountancy world, with EY proposing a global separation of its audit and consulting businesses.

A spokesman for Hg declined to comment.