

Advisory firm Teneo hunts new backers at \$2bn valuation

The advisory firm which managed the insolvency of Bulb Energy in 2021 is kicking off a hunt for new backers in a process that could value it at about \$2bn (£1.5bn).

Sky News has learnt that Teneo, which is based in the US, has begun approaching prospective investors in recent days to gauge their appetite to buy a major stake in the company.

One private equity source said Teneo was working with advisers, said to be Guggenheim Partners, on the process.

Teneo has become a sprawling advisory firm, spanning public relations, restructuring and other areas of corporate consulting and strategic advice.

More from Money



Money blog: Two reasons home movers should act quickly – with big change just months away



Baby formula market not working for parents, says watchdog



Cosmetic surgery group Transform gets into shape with sale

It employs hundreds of people in London, with clients including Saudi Arabia's sovereign wealth fund, the DIY retailer Kingfisher and Clayton Dubilier & Rice, the global buyout firm.

Advertisement

The company has been backed by CVC Capital Partners, the private equity backer of Six Nations Rugby, since 2019.

Prior to that, BC Partners, another investor, owned a stake in the business.

Teneo has grown rapidly through a string of acquisitions, the most notable of which was the purchase in 2021 of Deloitte's UK restructuring arm.

Since then, the division has worked on the special administration of the collapsed energy retailer Bulb – the first such process of its kind in the UK – and the insolvency of the UK arm of Russian bank VTB, which was hit by the imposition of sanctions following Vladimir Putin's invasion of Ukraine.

Teneo has also bought a number of smaller restructuring firms, including Goldin Associates in the US and Credo in the UK.

CVC is understood to own a majority stake in Teneo, and it was unclear on Friday whether it would seek to offload all of its interest or remain as a shareholder after any new investor backs the business.

A number of parties are understood to have begun being sounded out, with one of those approached saying that Teneo's growth trajectory meant that it was likely to attract a significant level of interest.

The process is unlikely to conclude until sometime next year, they said.

Teneo is understood to be on track for a record year in financial terms, with its financial advisory business driving a significant proportion of its improvement in revenue and profit.

It is chaired by Ursula Burns, the former chairwoman of Xerox Corporation and one of the most prominent Black businesswomen in the US.

The company was co-founded by Declan Kelly, an influential adviser to numerous American CEOs who was forced to resign in 2021 following allegations of drunken misconduct at a concert in California.

The other co-founder, Paul Keary, remains Teneo's chief executive.

News of the search for new backers to aid Teneo's continued international growth comes amid a hot streak for deals involving professional services firms.

In Britain, Grant Thornton, the accountancy firm, is exploring the sale of a big stake, with a small number of bidders still in talks.

Evelyn Partners is in discussions to sell its accountancy arm, while Cooper Parry, another player in the sector, is also up for sale.

CVC declined to comment.