

## Chemical & Engineering Industry

### Case Study

#### **Mandate**

Beacon was engaged by a residential contracting business with over 60 years of experience serving the GTA. The business had an extensive clientele ranging from middle and high-income residential house to residential condominium owners. The business was known for its high-quality service and skilled craftsmen and had won several awards as a result. Due to Beacon's strong presence in Ontario and experience working in the engineering and construction, Beacon was chosen as the exclusive broker and provided sell-side transaction advisory services through the entire sale process.

#### **Implementation**

Beacon began by compiling a fairness opinion to determine the business' true fair market value and proceeded to compile deliverables and confidentially market the mandate to potential buyers. The business offered high-quality contracting services covering a full spectrum of residential design-build and exterior landscaping. As a business with superior operational capabilities and deep penetration in Toronto's in-demand housing market, the business was an excellent turnkey opportunity for a general contractor or private buyer seeking to enter the residential space in the GTA. Through our large network of buyers and industry professionals, we were able to attract several buyers for the business. Based on the seller's criteria and vision, as well as our financial acumen, we were able to pre-screen buyers and solicit offers from serious buyers.

#### **Outcome**

Beacon's team assisted our client through every step of the sale process, and successfully completed the transaction. Beacon effectively negotiated a share deal with a private buyer who had previous involvement in the residential real estate and general contracting space. Our team advised the seller through the buyer due diligence process, ensuring transparency between both parties. The deal was structured with a 90% cash amount payable at close. The balance amount was held in an escrow account accruing interest for the benefit of our client ('the vendor') and was payable in the form of a balloon payment, 18 months from the closing date. A transition period was negotiated to prepare the successor for takeover and facilitate a smooth transition.