

## Consumer & Retail Industry

### Case Study

#### **Mandate**

Beacon was engaged by a popular gourmet bakery chain known for its popular specialty baked breads, pastries, Viennoiserie and savories. In just nine years, the business had achieved exponential revenue growth and success with retail locations in the distillery district, First Canadian Place, the beaches, and Leslieville. After running the business successfully and seeing it grow, the owners wanted to leave the business in the hands of someone with the resources to further leverage its strong brand name and reputation. Due to Beacon's strong outreach in Ontario and experience in the consumer and retail industry, 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 regularly featured on Instagram food blogs and food magazines and had developed reputational goodwill as a result. Beacon accounted for this intangible value in determining the value of the business. 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 an asset transaction with a private buyer who had adequate financial resources to continue growing the business. As a part of the purchase agreement, the buyer acquired all the business' fixed assets, a portion of inventory, and goodwill. The deal involved a 10% hold-back agreement which was to accrue interest for the benefit of the vendor. Our team was actively involved through the due diligence process, ensuring transparency between both parties. In addition, Beacon assisted with succession planning to help maintain smooth operations through the transition period without damaging the value of the business.