

Manufacturing & Industrial Industry

Case Study

Mandate

Beacon was engaged by a manufacturer of custom fabricated metal products with a 30 year history. The business designed and manufactured custom walled tanks and silos for industrial and agricultural use. The owners of the business, at the time, were seeking an exit due to retirement. Due to Beacon's strong outreach across North America and experience in the manufacturing and industrial sector, 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 had a fully owned state-of-the-art facility with CNC manufacturing capabilities and ample capacity to expand production. The business was effectively positioned for growth through diversification of its product line as well as deeper market penetration through aggressive sales and marketing. 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, based on a 3-year weighted average EBITDA multiple. An additional amount was paid to acquire the business' manufacturing facility and property. The deal was structured with a 75% payment at close and 25% VTB payable in monthly installments over a one year term. 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.