

Paper, Plastic & Packaging Industry Industry

Case Study

Mandate

Beacon was engaged by a manufacturer of plastics and acrylic fabrication with in-house vacuum forming and CNC capabilities. The business owned one of the largest forming ovens in the GTA. Through 30 years of industry experience, the business had developed a strong brand reputation among suppliers and customers in the industry. The owner of the business at the time was seeking an early retirement due to medical reasons. Due to Beacon's strong presence in Ontario and experience working related manufacturing businesses, 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 invested in state-of-the-art equipment and machinery, giving it exceptional in-house manufacturing capabilities. Due to the owner's health and condition, it was crucial that the transfer of ownership take place as soon as possible. Beacon realized the urgency of the situation and allocated a large portion of its resources to this mandate, making it a priority. 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. The deal was structured as an all cash transaction with no vendor take back allowing our client to completely exit the business. Through active involvement in the due diligence process and proactive communication with the buyer, we were able to close the deal within the stipulated period of time. A one month training and transition period was negotiated. In addition, Beacon made sure that the business was prepared for the successor to maintain smooth operations through the transition period without damaging value.