

Wellness, Fitness & Lifestyle Industry

Case Study

Mandate

Beacon was engaged by a leading distributor of premium personal care and beauty products with operations across North America. The business had a diverse product line with over 4,500 products. It also served as the exclusive distributor for 7 major skincare brands. The owners, at the time had run the business for 20 years, and were seeking an exit due to retirement. Due to Beacon's strong outreach in North America and experience working in the Wellness, Fitness and Lifestyle 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. As a direct importer with a niche focus on premium beauty and spa products, the business generated high margins and strong cash flow. The business had an extensive supplier network of 160 suppliers and had carved out a niche in a highly opportunistic industry with high consolidation activity. Beacon saw this as a lucrative acquisition opportunity and valued the business accordingly. 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 including a 100% transfer of ownership with a private buyer. Through our careful selection process, we were able to find a buyer with prior experience in the industry and adequate financial capacity to complete the transaction. As a part of the deal, our client received 80% of the business' equity value upfront. The 20% balance was structured as a vendor take-back at 5% annual interest, payable as a balloon payment three and a half years from the closing date. 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.