

Strategic Sale of Smead Manufacturing to TOPS Products, LLC

Background:

True North Mergers & Acquisitions (“True North M&A”) served as the exclusive investment banker to Smead Manufacturing (“Smead”) in its strategic sale to TOPS Products, (“TOPS”), a market leader in office products and organizational solutions. By joining TOPS’ portfolio of brands, the Smead, UBrands and Smead Custom brands have an expanded platform for long-term, sustainable growth and customers of both businesses will have access to the full breadth of their best-in-class product portfolios. The transaction closed on June 1, 2025.

Introduction:

Founded in 1906, Smead has been a staple in the office products industry for over a century. A proudly woman-owned business led by Ebba Hoffman—an inductee into the Minnesota Business Hall of Fame—Smead built its reputation on quality craftsmanship, innovation, and a deep commitment to customer satisfaction. The business remained family-owned and operated for four generations.

In response to changing consumer preferences, Smead partnered with True North M&A to pursue growth through acquisition. Smead determined that M&A would be the most effective way to stay competitive in a rapidly digitizing industry.

Smead’s Growth Through Acquisition:

True North M&A led Smead through a targeted buy-side search for complementary businesses that could offer:

- **Supply chain and customer synergies**
- **Product innovation**
- **Access to younger consumer demographic**

Over two hundred acquisition targets were identified and contacted. The process led to the acquisition of UBrands in 2017. UBrands is known for being a dynamic, innovative, fashion-forward stationary, and organizational products company common amongst millennial and Gen Z consumers. Notably, this acquisition significantly boosted Smead’s profitability, broadened its multi-channel distribution, and product design capabilities, strengthening Smead’s position in a shifting market.

Navigating Incumbent Buyers:

By 2024, Smead received interest from multiple industry consolidators that recognized their strategic value in the marketplace. When approached by TOPS, Smead’s leadership knew that even though there was a prior relationship, a formal advisor-led process was key. Some sellers make the mistake of managing these situations internally—opting for a DIY (do-it-yourself) approach—which often leads to:

- **Subpar deal structures**
- **Missed value drivers**
- **Lack of protection on critical financial and legal terms**

Smead instead re-engaged True North M&A as a sell-side advisor, leveraging the firm’s expertise to ensure a structured, competitive process even with an incumbent buyer involved.

Value of Sell-Side Advisory:

Process, Positioning, and Protection

Finding a buyer is just one piece of the M&A equation. A seasoned advisory firm like True North M&A adds value across every stage of the transaction lifecycle.

- **Craft a compelling Confidential Information Memorandum (CIM)**

A key document that outlines financials, growth drivers, and market potential in a compelling way.

- **Manage communications with buyer**

Helps ensure that the process maintains momentum and avoid common pitfalls.

- **Negotiate deal terms and mitigate risk**

One of the most complex components of any M&A transaction is navigating deal mechanics, particularly things like net working capital (NWC) adjustments, reps and warranties, and navigating complex due diligence processes.

Outcome: A Win-Win Transaction

Smead achieved a meaningful exit that aligned with its values and long-term goals, while TOPS acquired a well-established, complementary brand that added strategic value to its portfolio.

For True North M&A, the transaction reinforced its core mission: **Help people first and success will follow.** True North M&A’s expertise drove a process that was not only financially rewarding, but also emotionally satisfying for a family deeply rooted in a legacy business.

Key Takeaways:

- Even when approached by an incumbent buyer, running a formal sell-side process led by an experienced M&A advisor helps protect value, create competitive tension, and mitigate risk throughout the transaction.
- Partnering with an experienced M&A advisor ensures that transaction dynamics like net working capital, reps and warranties, and transition planning are proactively managed.
- A skilled M&A advisor tells a compelling story and helps position the business strategically.
- True North M&A continues to demonstrate leadership in lower-middle market advisory for founder and family-owned businesses navigating generational transitions and liquidity events.
- The True North M&A deal team led negotiations, facilitated the due diligence process, and navigated complex deal mechanics.