

Overview



True North Mergers & Acquisitions ("TNMA") served as the exclusive financial advisor in the sale of a unique family-founded and operated industrial manufacturing company specializing in bronze bearings and bushings. The company's proprietary processes provided a strong competitive edge, attracting suitable buyers who could leverage its specialized industrial capabilities and market position. With a capable management team and after fifty-four successful years in the industry, the owners decided it was time to sell the company and retire.

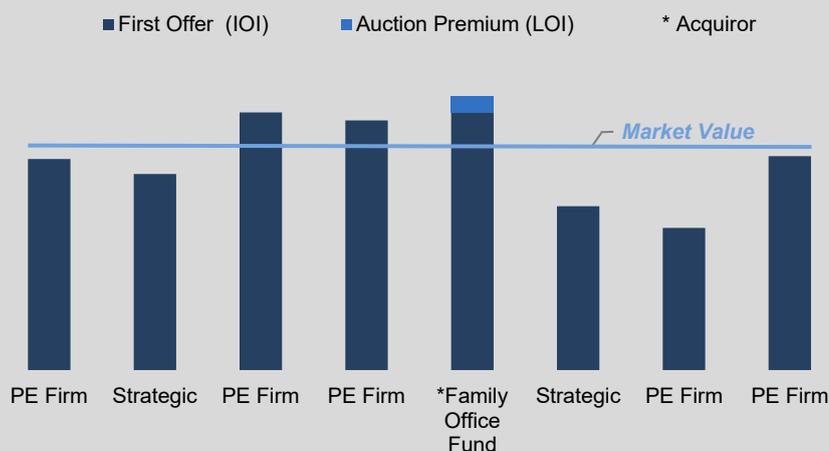
Key Takeaways

PE groups, family offices with investments in complementary companies, and strategic acquirers are looking for companies that are part of a US reshoring trend in the industrial manufacturing sector, especially those with strong attributes like Talos.

The company's advanced equipment and a highly skilled workforce of 48 full-time and 16 part-time employees support a large customer base, with no single customer accounting for more than 3% of total revenue.

The company's balance sheet shows an inventory of raw materials that have significantly appreciated as commodity market prices increased, positioning it for growth over the next twelve months.

QuietAuction™ Negotiations



Results

True North M&A did not set a price for the company before going to market but conducted our three-phase QuietAuction™ process, which produced multiple Indications of Interest ("IOI") from a diverse group of potential buyers, including private equity firms and strategic acquirers. Ownership believed that the company's legacy and future would be best served by a buyer who understood the business's intrinsic value. The two leading IOI candidates were invited to management meetings. TNMA's deal negotiated their Letters of Intent ("LOI"), resulting in a 17% premium enterprise value with tax-favorable terms.

CEO Process Insights

01 Preparation Phase

TNMA's deal team clearly recognized the company's value and the industry it operates in, and they built a comprehensive target list through research, industry trend analysis, and M&A buyer activity within the sector.

02 Marketing Phase

TNMA's three-phase QuietAuction™ process drove negotiations to generate eight IOIs and two LOI, ultimately resulting in the final bid being 17% higher than the client's target price.

03 Execution Phase

The acquisition process involved a thorough review of due diligence and a quality of earnings review, as well as an emotional rollercoaster for the Sellers. TNMA led the way through tough negotiations, including net working capital before closing the transaction.

Buyer Synergy

Family Fund Office

The company's gross profit and EBITDA margins, along with a strong balance sheet, met the investment criteria of strategic buyers, private equity firms, and family offices, with over ninety signed NDAs throughout the process. Coupled with top-tier equipment and proprietary processes to boost efficiency, this presented a highly attractive opportunity.

The family office fund was considered the best match to carry forward the legacy the family had built for over fifty years, as they had Midwestern roots and a strong focus on integrity, teamwork, and traditional values that the company was founded on.

Conclusion: During the process, TNMA referred the Owners to third parties (Attorneys and Tax Advisors) to help facilitate the most efficient outcome. Ownership valued the leadership of the TNMA team in navigating the intensive process, helping to finalize the transaction and make the best decision possible for the company and its shareholders.