

Overview



True North Mergers & Acquisitions (TNMA) was the exclusive advisor in a strategical recapitalization of a highly profitable, end-to-end alternative engineered metal building systems manufacturer. As concerns over climate, resource depletion, and government regulations continue to grow, the metal building systems market is emerging as a key solution and sustainable alternative ([coherent](#)). This industry leader serves various sectors poised for substantial growth, including industrial, sports, municipal, military, and other markets that are also poised for growth.

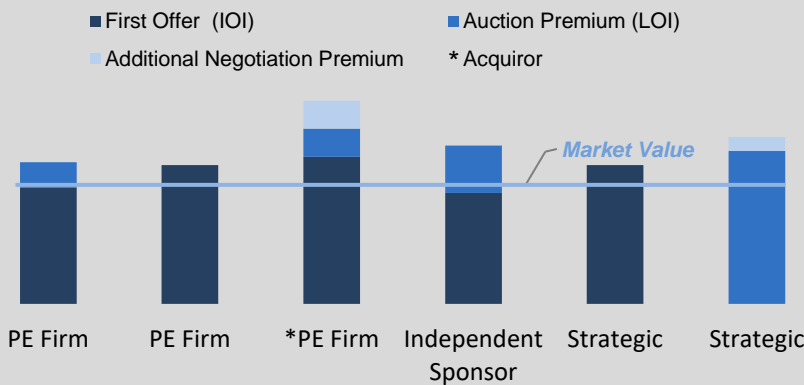
The transaction enabled the current owner to retain an equity stake, ensuring continuity of expertise and leadership. It also allowed them to utilize the cash proceeds to pursue an exciting, unrelated business venture. These terms underscore True North's ability to engineer deals that create value for sellers and buyers.

Key Takeaways

In the wake of the COVID-19 pandemic, True North Mergers & Acquisitions recommended a strategic delay in going to market to accurately assess the company's proper financial performance in the post-pandemic era. The strategy paid off with the "new normal" Earnings Before Income Tax Depreciation Amortization (EBITDA) being considerably higher than the historical average, so TNMA used a higher multiple as guidance to determine the company's value.

True North's unwavering commitment to its client's best interests and expertise in navigating the intricacies of a successful sale culminated in a highly favorable outcome, with the manufacturer being acquired by a reputable private equity firm after a complex 9-month M&A process.

QuietAuction™ Negotiations



Results

TNMA deployed its proprietary three-stage QuietAuction™ investment banking bid process to generate multiple Indications of Interest (IOIs) bids from strategic and financial buyers. In the second Letter of Intent (LOI) phase, TNMA negotiated with the top three IOI bidders. Ultimately, the LOI the seller accepted represented a considerable premium over the initial bid with favorable terms including tax-advantageous terms like rollover equity, leaving a second "Bite of the apple for a follow-on liquidity event a few years later."

CEO Process Insights

01 Preparation Phase

TNMA's marketing profiled the company as an innovator and market leader. In a well-run M&A process, timing is everything. The strategic decision to delay due to COVID-19's impact allowed the time needed to grow EBITDA.

02 Marketing Phase

TNMA's 3-phase QuietAuction™ process and proactive approach fostered negotiations to generate multiple offers from including strategic buyers, search funds, independent sponsors and private equity firms.

03 Execution Phase

The LOI phase included multiple rounds of negotiations and management meetings where the seller got to know the motives of the various buyers. The process allowed the client to feel the most comfortable with a private equity firm they felt was the right fit for the future of their Company due to their values and business philosophy.

Buyer

Private-Equity Firm

Independent Sponsor

Strategic

Synergy

PE groups emerged as ideal suitors, bringing industry insight, strategic synergy, and a promise to empower the existing management team, ensuring a seamless transition and unlocking the company's full potential.

The independent sponsor, armed with deep industry expertise and a genuine enthusiasm for the company's mission, emerged as a compelling buyer, uniquely positioned to steer the company towards a future of sustained growth and success.

Other strategic industry players recognized the potential of the company's innovative products and the prospect of synergies and market expansion, submitting competitive offers.