

Overview

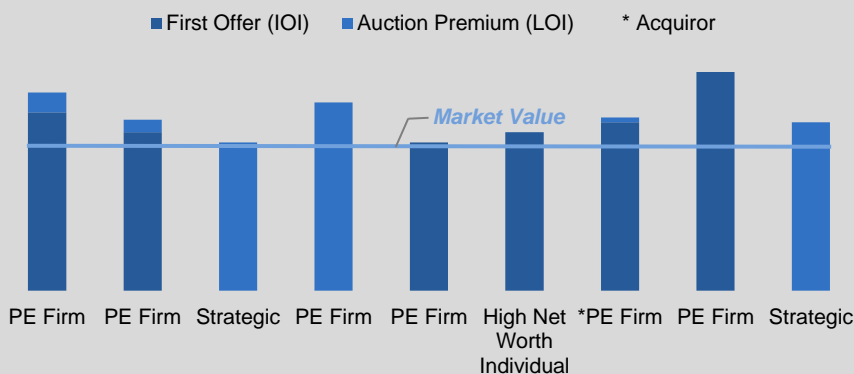


True North Mergers & Acquisitions ([TNMA](#)) acted as the exclusive financial advisor for selling the Midwest's largest manufacturer and distributor of concrete infrastructure products. Established in the early 1960s, the family-owned and operated company has a diverse customer base, which includes a mix of municipalities, sewer and water contractors, large retaining wall contractors, and many others. With its state-of-the-art manufacturing facilities and strategic distribution network, the company has played a vital role in supporting critical infrastructure projects across the region with its concrete infrastructure products, in addition to being the exclusive licensee and producer of Redi-Rock retaining wall systems in Minnesota.

Key Takeaways

The company's position as a leading manufacturer with niche expertise was the driving force of interest among acquisitive investors looking to participate in the increased Federal and State infrastructure and projects. The outlook for these infrastructure projects is robust as the upper Midwest tries to keep up with the aging water and sewer systems. The company's unique product manufacturing capabilities and exclusive distribution agreements for related products provide dependable cash flow that helps insulate the company from economic downturns. Although very different, the company's proprietary products and retaining wall business complement each other and provide symmetry with many customer revenue streams.

QuietAuction™ Negotiations



Market value is an estimate of the current price at which an asset or enterprise company can be bought or sold

Results

True North M&A specializes in providing a comprehensive and highly confidential sell-side advisory for lower middle market businesses. TNMA's priority is to tailor strategies to maximize value while protecting legacy for their clients through the investment banking bidding process. TNMA's innovative QuietAuction™ process generated six IOIs and six LOIs from strategic and financial buyers. The sheer number of competitive LOIs provided TNMA the leverage to negotiate a deal with a favorable cash component and terms.

CEO Process Insights

01 Preparation Phase

To find a strong financial and cultural fit, TNMA's deal team conducted extensive research on key industry players, market trends, and buyer activity to create a comprehensive list of 150+ buyer targets. Consistent outreach to the targeted buyers created a high level of interest from pre-qualified buyers in the company.

02 Marketing Phase

TNMA's three-phase QuietAuction™ process facilitated negotiations, resulting in six competitive offers. Subsequent management meetings allowed an opportunity for all parties to improve their understanding of one another, fostering stronger business relationships and enhancing collaboration in driving the acquisition conclusion.

03 Execution Phase

The acquisition phase involved a deep dive into due diligence, quality of earnings review, and complex negotiations of the many legal documents.

Buyer

Private Equity Group

Synergy

The company's unique product line and a loyal customer base resulted in stable revenues and EBITDA. This financial stability attracted significant attention from both national and local firms interested in expansion opportunities. Private equity groups showed particular interest, driven by steady investment in the sector and growing demand from aging systems. TNMA effectively showcased the potential of this specialized company, highlighting a range of opportunities for the introduction of new products and services.

Conclusion: The owners were impressed and deeply appreciated the expertise and approach employed by the TNMA team. Before engaging TNMA, the owners had attempted to sell the business on their own without much success. Utilizing TNMA's innovative QuietAuction™ process, the owners were able to achieve outstanding results. In fact, the business was sold for a remarkable 28% higher price than the initial offer presented by the same Private Equity Group, demonstrating the undeniable value that TNMA brought to the table. This exceptional outcome not only exceeded the owners' expectations but also established TNMA as an invaluable partner in achieving their goals.