

## Overview



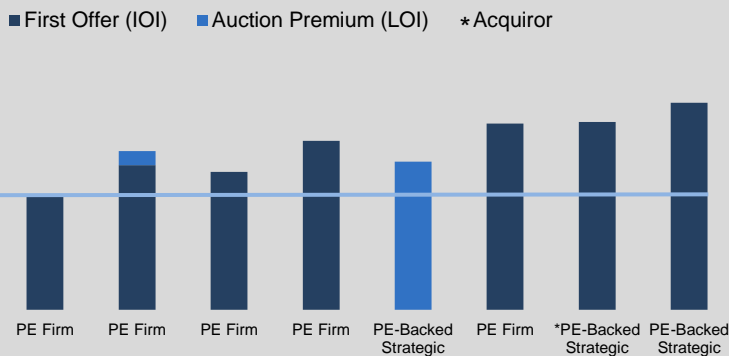
True North M&A served as the exclusive financial advisor, selling one of the country's largest and most reputable storm damage restoration companies to a Private Equity Group with a platform in the industry. With over sixty employees serving twenty-seven states, the Minnesota-based Company specializes in storm damage restoration, roofing, siding, gutters, and exterior contracting. The Company's proven track record offered scalable potential as the escalating threat of climate change and the COVID-19 pandemic has significantly amplified the demand for damage restoration services ([IBIS](#)) drawing the interest of private equity groups and strategic buyers alike.

## Key Takeaways

In addition to increased demand, the home services and storm restoration sector is experiencing rapid consolidation as strategic and financial buyers are looking to capitalize on the fragmented industry and unify the property restoration and claims experience for property owners, contractors, and insurance carriers.

High quality investment opportunities for qualified buyers in the sector are scarce. TNMA's deal team capitalized on the market conditions and leveraged multiple bidders to compete with Letters of Intent with not only higher enterprise value but seller favorable terms that provided ownership to exit and retire after a brief transition but maintain 10% equity share in the larger, consolidated company and the potential of a significant second payout in a few years.

### QuietAuction™ Negotiations



### Results

True North Mergers & Acquisitions (TNMA) offers a comprehensive service for selling a business, prioritizing confidentiality, and tailored strategies to maximize value for clients. The innovative QuietAuction™ process generated 10 Indications of Interest (IOIs) from strategic and financial buyers, with the highest bid more than twice the lowest. This wide range of competitive offers provided TNMA the leverage to negotiate a deal with a favorable cash component at closing, extended terms that increased overall value, and significant upside potential for the owners in the years ahead.

## CEO Process Insights

### 01 Preparation Phase

Intending to find a strong financial and cultural fit, TNMA's deal team researched the significant players, industry trends, and buyer activity to construct a robust target list and interview qualified potential buyers.

### 02 Marketing Phase

TNMA's 3-phase QuietAuction™ process drove negotiations to generating 10 competitive offers, ultimately resulting in the final bid being higher than the seller's target price.

### 03 Execution Phase

The acquisition process involved a deep dive into due diligence, quality of earning analysis (Q of E), and an emotional rollercoaster for the sellers with TNMA leading tough negotiations before closing the transaction.

## Buyer

**Private-Equity Backed Strategic**

## Synergy

The company's steady revenue growth, scalability potential, and sustainable percentage of EBITDA with a healthy balance sheet met the investment criteria for many national firms, including PE-backed strategic buyers with a footprint in the sector. TNMA marketed the company's operational excellence, proprietary project management systems, and a strong management team with field sales training already in place to negotiate the best offer from a synergistic buyer.

**Conclusion:** Ownership appreciated the quality of the most substantial offer but wanted more for their legacy and loyal employees, so they were delighted to have several choices capable of coalescing corporate cultures. Ultimately, they accepted the offer from a strategic financial acquirer with a professionally managed portfolio platform that created synergies between financial, geographic, suppliers, and best practice systems.