

Transforming a Potential \$4 Million Sale into a \$7 Million Success

NuVescor specializes in selling automation companies and has an impressive track record in the industry. This case study revolves around a specific automation company that NuVescor prepared for sale over a span of 60 days. During this period, NuVescor's team of experts, comprising individuals with specialized skills, worked on various aspects of the sale process, from market research to buyer outreach, negotiation, and deal closure.

Preparation for Sale

NuVescor's preparation phase involved ensuring that their 10-person team had access to all necessary information. This team was divided into specialized roles including market research, initial buyer outreach, buyer screening, financial and detailed information handling, purchase proposal development, and managing simultaneous negotiations with multiple buyers.

Valuation Expectations

Leveraging their extensive experience in the automation sector, NuVescor surveyed their substantial buyer database during the preparation phase. This exercise allowed them to set an initial valuation expectation for the company in the range of \$3.5 to \$4.5 million, translating to a multiple of 3 to 5 times the EBITDA.

Buyer Interest and Initial Proposals

Upon launching the project, NuVescor experienced overwhelming interest, with more than 80 potential buyers expressing interest within two weeks. The NuVescor team swiftly filtered and qualified these buyers, discarding those not meeting the minimum valuation criteria. Four purchase proposals were received initially, falling within the range of \$3 to \$4 million (3.5 to 4 times EBITDA).

Negotiations and Enhanced Value

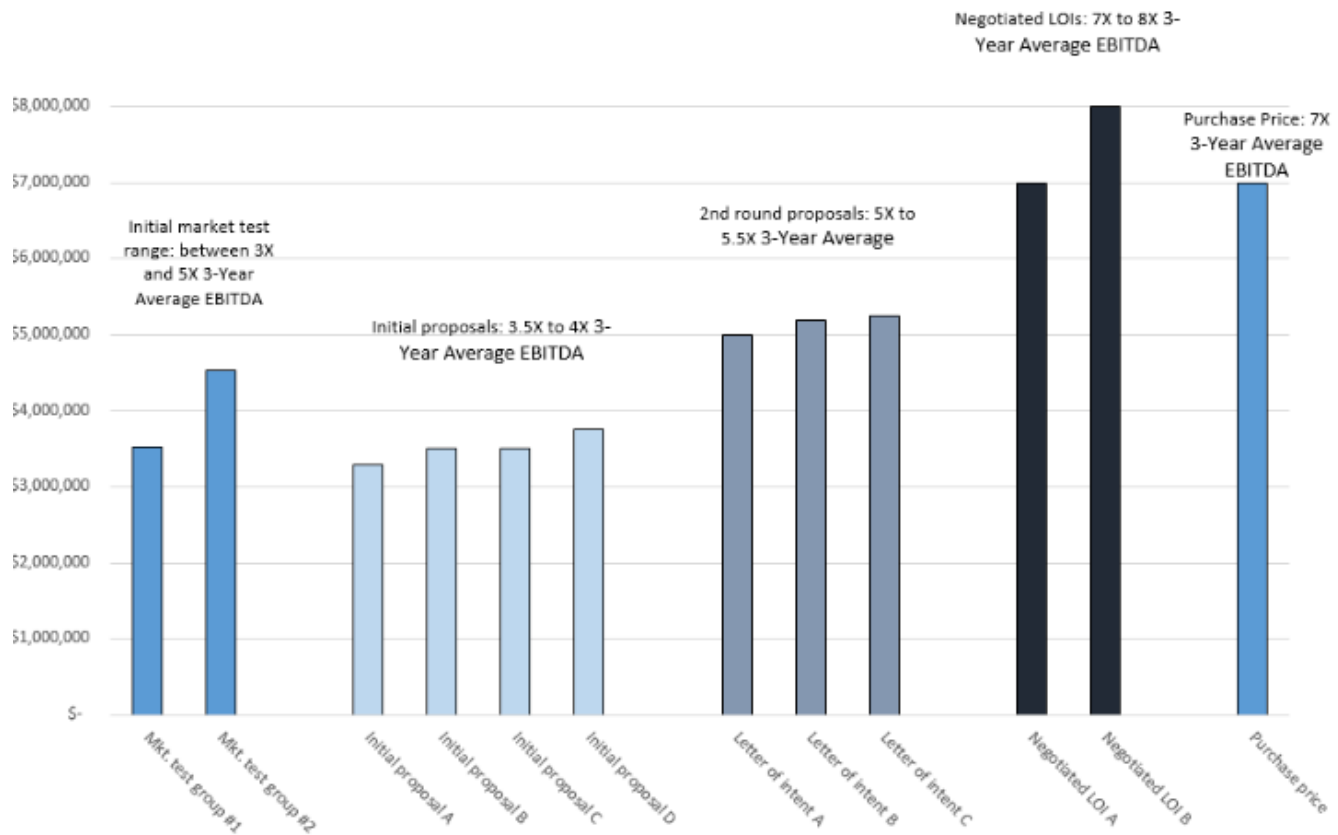
Through skillful negotiations and by demonstrating the company's value to each potential buyer, NuVescor managed to increase the purchase proposals to approximately \$5 million, exceeding the expected range. Recognizing the potential in two specific buyers, NuVescor's team ignited a competition between them. Several negotiation rounds led to offers of \$7 million and \$8 million (7 to 8 times EBITDA) from these two buyers.

Competition and Final Decision

As the negotiations progressed, the competition between the two buyers intensified. Despite attempts to raise the offers further, both buyers eventually reached their limits, with one offering \$8 million (with an earn-out component) and the other offering an all-cash deal of \$7 million. The seller, favoring the buyer with the \$7 million all-cash offer, opted to accept that proposal.

Efficient Deal Closure

With the offer accepted, the seller desired a swift closure. Leveraging their team of specialists, NuVescor allocated multiple team members to expedite the transaction process. This efficient approach ensured a smooth and prompt deal closure.



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Meet the NuVescor Group Leadership Team

At NuVescor, we understand that M&A transactions are more than just financial deals; they are strategic moves that can redefine a company's future. That's why we are committed to aligning buyers and sellers who share a common vision for innovation and growth. Our client-centric approach ensures that your goals become our goals, making us not just advisors but trusted partners in your journey.



Randy Rua

Managing Partner

rrua@nuvescor.com

Randy Rua is the leader of NuVescor Group, focusing on mergers and acquisitions in the automation and manufacturing sectors. With a blend of engineering and business expertise, he has successfully orchestrated complex deals, creating solutions that benefit all parties involved. Randy's innovative Rua Transaction Process has set a new standard in the industry, reflecting his commitment to ethical business practices and strategic vision. His leadership has positioned NuVescor as a trusted partner in the rapidly evolving world of automation.



There's a lot of emotion involved in a transaction, both on the seller side and the buying side... The Rua Transaction Process brings the parties together... we got the deal done, and the deal was done efficiently...The team approach and service is very effective. I highly recommend it to anyone trying to buy or sell a business.

-JT W.

We take a specialized, industry-focused approach to achieving the most successful transactions in the manufacturing automation sector. From preparing your business to go to market to closing a deal that maximizes value, we're with you every step of the way.

For more information, visit our website at nuvescor.com or contact us directly to discuss how we can assist you in achieving your M&A objectives in the automation industry.

