

Client Example



- Founded in 1987, CCMET (previously Metro Labs) has grown steadily to become the leading engineering materials testing company in Western Canada. With over 275 employees CCMET delivers a full range of services including: materials testing, materials engineering, geotechnical engineering, concrete restoration, environmental engineering and total quality management. Their scale, reliability and quality of work makes them a key partner in many of the country's largest infrastructure projects.
- As an employee owned business, the rationale for the transaction was twofold:
 1. form a partnership to provide resources to fuel future growth;
 2. liquidity for the transition of several senior employee

"Renaissance Mergers & Acquisitions facilitated the transaction from initial concept to the very end where they literally pushed it over the final goal line.

Renaissance exceeded our expectations by over 100% and I could not be more pleased with the results and the new partnership.

—Harry Watson, President, CCMET

Process & Challenges

- With management's input, a roster of over 40 potential purchasers was developed and approached. Over half proceeded to review the Confidential Information Memorandum and offers were received by 5 parties. LOI to close took 97 days.contract negotiations.
- A few challenges that were overcome during the course of the transaction included:
- Structuring — over 20 companies in the group with 60+ employee shareholders, complicated tax structure.
- Excess working capital kept in the business — resulted in significant negotiations on what required level should be.
- Hybrid transaction structure — combination of selling assets, selling shares, and applying an amalgamation which enabled the vendors to achieve a very low effective tax rate.
- Employee communication — with the number of staff and staff shareholders, quality and timing of communications around the transaction was critical.
- No intrusive plan of arrangement required.

Outcome

It closing 70% of CCMET was successfully sold to Equicapita — a Calgary based private equity group that pursues a low leverage investment strategy. The transaction enterprise value was substantively above the target price agreed to with the client at the start of the engagement with Renaissance.

Deal Team

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Contact us to set up a confidential meeting to discuss your business.