

Securing Legacy: One Company's Succession Play in the Railway Industry

The Client

For over 35 years, our client ("The Company") has been a trusted provider of signal and communication solutions within the railway industry. Operating out of Ontario, the organization has built a stellar reputation, serving prominent rail and transportation companies across North America and internationally. Their suite of products and services not only optimizes transit operations but also reduces costs and enhances safety, positioning the company as a vital partner in the rail sector.

The Challenge

The passing of The Company's founder and CEO left the organization at a crossroads. This loss was deeply felt, not only on an emotional level by its long-tenured employees but also in its operational performance. As a family-run business, the founder's leadership had been integral to every aspect of the company's success.

In the wake of this loss, his wife stepped in as CEO to guide the company through an uncertain period. However, lacking the technical expertise necessary to sustain and grow the business, she recognized the need for a transition. Her primary goal was to honour her late husband's legacy by ensuring future stability and safeguarding its dedicated workforce.

At the time, The Company had only one prospective buyer—a party with an existing business relationship. However, this buyer sought to expedite the acquisition process, bypassing a

comprehensive sales strategy. The Company was now challenged to find a buyer who aligned with their values, respected the company's legacy, and offered a fair valuation.

The Solution

Engaged by The Company, B. Riley Farber initiated a structured and strategic sale process to explore all potential opportunities to ensure the best possible outcome. Recognizing the importance of expanding beyond the initial buyer, our team recommended approaching a select group of industry-relevant parties with established knowledge of The Company's operations and reputation. This broadened pool of potential buyers allowed for more competitive bids and enabled the leadership to evaluate buyers aligned with their long-term vision.

To kick off the process, we developed a comprehensive information memorandum that outlined The Company's history, operations, financial performance, and market position. Leveraging our industry network, we presented the opportunity to carefully chosen, owner-approved, candidates.

Throughout the process, we worked closely with The Company's internal team and external advisors to facilitate due diligence. This included responding to buyer inquiries, addressing documentation requirements, and ensuring transparency to build trust and maintain momentum.

The Outcome

Through our collaborative efforts, we identified the ideal buyer for The Company. This buyer not only recognized the intrinsic value of the business but also committed to preserving the legacy of the late founder. The rigorous sale process enabled the leadership to secure a fair valuation, ensuring financial stability for the family while safeguarding the livelihoods of long-serving employees.

Notably, the original buyer exited the process, confirming the value of exploring broader opportunities. By managing every stage of the M&A process, from outreach to due diligence,

we ensured a seamless transition of ownership that aligned with The Company's goals. Today, The Company continues to thrive under its new leadership, preserving its founder's vision and serving the industry with excellence.

Our Contributors

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