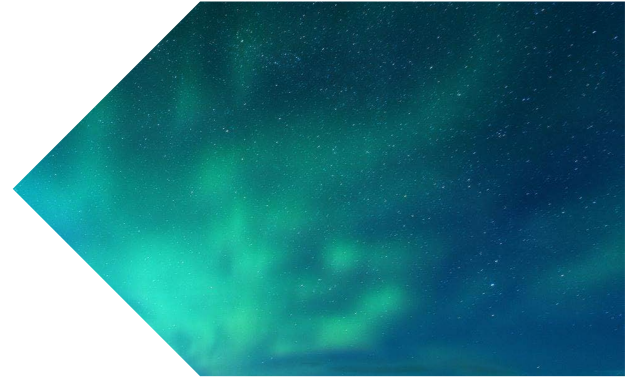


Case Study

SUCCESSFUL SALE OF TRANSPORTATION AND LOGISTICS COMPANY – RYANS GROUP



SETTING THE SCENE

Established more than 70 years ago, road transportation business Ryans Group is one of Australia's leading multigenerational transportation and logistics company. From contract logistics to freight, supply chain logistics and container operations – they have it all. With the ability to tailor solutions for specific businesses as well as deep experience in the sector, the Ryans Group developed a service offering that is sustainable and progressive to fulfill all their customer needs. Growing and managing a business of this size takes skill, hard work, and the courage to take a risk on what was once a vision.

In 2022, the management team had so far displayed these three qualities to build a successful business generating substantial cash flows – it was then that they decided to canvass the market for a 100% sell down. The ideal buyer was one that would assist in taking the business through the next phase while continuing the legacy. After being introduced to the Moore Australia Corporate Finance team in mid-2022 and gaining an understanding of the value we add to a transaction like this, the sale process began.

THE MOORE DIFFERENTIATION – LEAD ADVISORY

Moore Australia provides a unique service tailored to the M&A mid-market. Our uniqueness comes from the fact that we specialise in both Lead Advisory and Transaction Support engagements.

The Transaction Support engagements give us constant exposure to the latest trends in sale readiness, modelling, and due diligence – all key attributes of M&A that if done well, increase value realised by shareholders.

From this experience, we're able to prepare our clients with sale materials, information and network that will lead to a successful outcome.

THE MOORE PROCESS – SALE READINESS & MARKET TESTING

JULY 2022

1. To begin, we conducted a **thorough analysis of the transportation and logistics market**, with a more concentrated look on the road freight and contract logistics aspect of the industry. We also gained a detailed understanding of businesses operations, financial performance, and key shareholder objectives.
2. We then **prepared a Pricing Paper** – this gave management a clear estimate of value. It also sets expectations from the beginning to avoid any miscommunication at later stages.

AUGUST 2022

3. With hindsight of full year financials, we were able to **prepare crucial sale materials: Financial Model and Information Memorandum**. These paint a picture for potential buyers – the growth story, company culture, industry and expansion plans were key aspects in this transaction.

SEPTEMBER 2022

4. In this transaction, Moore Australia utilised an **extensive network of trade and financial buyers** that we've built up over time. This proprietary information meant we were able to present to management a highly targeted list of parties that are most likely to show interest in their business.
5. After refining this list with management, **we introduced Ryans Group to the market**. Initially this was done using a teaser / flyer on a no-names basis to maintain confidentiality. Any parties who expressed interest to learn more were asked to sign an NDA.

NOVEMBER 2022

6. Once we were comfortable that we had introduced the opportunity to a highly strategic and diverse range of parties to give shareholders the greatest opportunity to extract maximum value we progressed to the exiting phase of the transaction – collating the offers.
7. At this stage **we requested NBIO's**. Non-Binding Indicative Offers allow management to review headline offer terms and decide which party they take into exclusivity.
8. **For Ryans Group, this was Tasman Logistics Services.**

THE TRANSACTION – RYANS GROUP & TASMAN LOGISTICS SERVICES

9 DUE DILIGENCE

- Ryans Group enters exclusivity with Tasman Logistics Services.
- Due Diligence commenced. Tasman Logistics utilised the services of an external professional services firm to conduct financial and tax due diligence. DD involved a thorough analysis of all components of the business – financial, tax and operational. It was an opportunity for Tasman Logistics, who had exclusivity, to discuss concerns, synergies and ultimately decide if they wish to enter into a formal binding agreement.
- Enter the Lawyers. At the back end of DD, lawyers began drafting key legal documents. These consisted of new company constitutions, shareholders agreements, employment agreements and share and asset sale agreements.

10 COMPLETION

- Completion occurred in July 2023 – a fresh start in the new financial year. This involved the signing of all agreements and of course, the funds flow to shareholders.

RESULT

Completion was the culmination of 9 months' work. Our client walked away with not only what he thought was the appropriate value of the business but also a strategic buyer that would take business to the next level and continue decades old legacy and build on the goodwill.

The information provided in this article has been approved by the Ryans Group.

If you would like to take your business on a journey like this, please contact your local Moore Australia contact. www.moore-australia.com.au/corporate-finance



www.moore-australia.com.au

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