

Engagement Summary

Overview

A large vertically integrated producer with operations throughout the United States (the “Client”) was considering an expansion into new geographic markets, but had no pre-determined preference for any specific regions or markets. Rather, the Client was interested in targeting markets with attractive fundamentals, platform investment opportunities, and the ability to grow over time through bolt-on acquisitions.

To determine what markets could enable this, the Client was seeking to develop and implement a methodology by which it might evaluate a large number of potential new markets, assess their relative attractiveness, prioritize markets with opportunities for immediate entry, and identify specific acquisition targets and growth strategies.

The Client engaged Inlet Capital Group to help establish a strategic market evaluation program and assess 65 unique geographic markets using the criteria developed as part of that program.

Engagement Approach

Inlet Capital Group engaged as strategic advisor to the Client, with an initial objective of establishing criteria by which potential new markets would be measured. The firm first reviewed the relative financial performance of the Client’s current operations by market, isolating the drivers of profitability in each. Seeking to replicate the factors that sustained profitability in those markets, the engagement team established screening criteria that included projected growth, competitive intensity, and numerous other critical factors.

With a screening methodology in hand, Inlet Capital Group conducted high-level assessments of 65 different markets, gathering data necessary for each market to be evaluated and prioritized. Using the agreed criteria, the firm filtered and prioritized the markets, identified platform acquisition targets, and made recommendations to the Client as to which markets might be most attractive in the short, medium, and long term.

Results

Based on these analyses, the Client was able to focus its growth initiatives on several of the most attractive geographies identified in the assessment, and has since laid the groundwork for entry into each of those regions.

Additional Information

Inlet Capital Group provides strategy consulting and transaction advisory services exclusively to the construction materials and mining industries. Its clients include publicly traded companies, family businesses, and independent sponsors, as well as private equity and family office investors. For more information, please contact Greg Dayko at (561) 529-5569 or via email at gdayko@inletcapitalgroup.com.