

Engagement Summary

Overview

Magnum Group Holdings, LLC (“Magnum” or the “Company”), located in Ocala, Florida, is an independent producer of construction aggregates, ready mixed concrete, and concrete block in north central Florida.

The shareholders of the Company sought to exit the Company’s ready mixed concrete business, after determining that it was non-core and not aligned with Magnum’s intended strategy to become an aggregates pure-play producer. The shareholders also sought guidance on valuation and optimal timing for a potential sale.

Engagement Approach

Inlet Capital Group, LLC (“Inlet Capital”) initially engaged as strategic advisor to Magnum, evaluating the Company’s product and service offerings and their respective profitability, management requirements, capital requirements, risk-adjusted returns, and vertical integration potential. Inlet Capital’s analysis revealed that the Company’s ready-mix segment was management intensive and capital-hungry, but was not yielding returns on par with those of its aggregates segment. The shareholders concluded that the ready-mix business was non-core and directed Inlet Capital to affect a strategic sale of that business.

Inlet Capital approached a targeted group of prospective purchasers, highlighting the strategic positions of Magnum’s ready-mix plant, the high-growth nature of its markets, and the long-term fundamentals supporting a potential investment.

Results

Magnum closed a sale of its ready-mixed concrete business, including real property, fixed assets, and mobile equipment, with a large privately-held ready-mix producer. Inlet Capital played a key role throughout the sale process, including due diligence, development of the transaction agreements, and closing.

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.