

VIPER NORTHWEST CASE STUDY

Viper has been acquired by Precinmac

PROCESS & OVERVIEW

FOCUS was retained by Viper to sell the firm by the 100% owner, who sought an ownership transition for estate planning purposes. Though the owner had previously retired, he had a highly capable team of professional management running the shop.

Viper was a precision metalworking business, with a strong specialty in serving the fast-growing and demanding semi-conductor equipment industry. Although this vertical was not amongst the most sought of industry exposures, it clearly had a bright future and the company showed higher than industry average margins. However, the company had a 75% sales concentration exposure to a single customer, which would have normally limited the set of potential buyers and the multiple attained.

The company had received a private solicitation from a buyer about 12 months before the engagement, but the price offered was low. As FOCUS prepared to go to market, we briefly engaged with that buyer to let them know the company was entering a full sales process, in which they expressed a strong interest in gaining exposure, both to the semi-conductor industry as well as the premier lead customer of our client.

Given FOCUS' experience in the sector, we knew that this particular buyer could not only be the best bid but might actually pay a premium to bypass the process in a preemptive offer.

TRANSACTION RESULTS

Viper has been ideally positioned for this successful transition and after a number of discussions, FOCUS was able to convince the owner to accept a preemptive bid. FOCUS guided the buyer to a range, that was close to double their prior bid, and a reasonable premium to the multiples similar companies had traded at recently. In the end, the buyer exceeded our guidance, and more than doubled their bid of 14 months prior. The owner was more than surprised, but exceedingly happy. This strategy shortened the marketing and diligence time frame substantially and the sale was closed in approximately three months.

NEXT STEPS

FOCUS Investment Banking offers an investment banking process designed to deliver great outcomes to clients embarking on the most important and complex transactions of their lives.

To learn more about our Electronics and Advanced Manufacturing investment banking services or to discuss your specific situation with no obligation please feel free to call:

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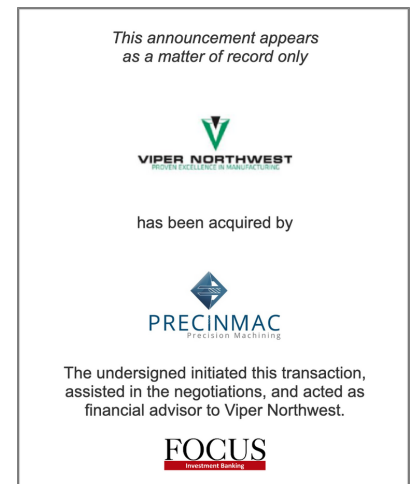
We are happy to share our knowledge and help you understand your options. All conversations are strictly confidential.



AT A GLANCE

Viper Northwest

- Based in Oregon
- Precision manufacturer of machined parts and assemblies
- Offers full engineering support, prototyping, fabrication, milling, turning, testing and assembly
- Works with a variety of materials including stainless steel, titanium, specialty alloys and many types of plastics/composites.



"It has been a phenomenal year for the Viper Northwest team. First, we were recognized as a supplier of excellence by our primary customer, and then we were able to successfully close this transaction, which will position Viper for future growth and success. FOCUS was instrumental in helping us achieve an outstanding valuation and deal terms relative to our peer group. We are very pleased to have a new partner that will allow us to stay true to our core values and continue to overcome the adversity that has faced everyone this year."

Kevin Davies
Viper, CEO