



Corporate Sale Case Study



“The Valitas team were always thoughtful, rational, with a win-win attitude and a laser-focus on getting the deal over the finish line. We have worked with a major firm before in a transaction but Valitas out-performed them in every aspect. I highly recommend Valitas to anyone looking for a competent, effective adviser to lead their transaction.”

- Samson Ling, CEO of Clarion Medical Technologies



MEET CLARION

Clarion Medical Technologies (“Clarion”) is a leading Canadian provider of medical and aesthetic equipment and consumables to hospitals, aesthetic clinics, and private medical practices

- The shareholders were considering a range of strategic alternatives to attain liquidity after attempting to sell Clarion in 2014 using a “Big 4” accounting firm as its financial advisor

June 2020



was acquired by



for

\$64,400,000

Valitas acted as the exclusive M&A advisor to Clarion Medical Technologies



PRE-EMPTIVE VALUE

- Valitas developed a clear understanding of the current and future value of Clarion and its business units and studied a wide range of strategic alternatives
- We explored the sale of one of Clarion’s low-growth businesses
- Clarion was approached by Richards Packaging Income Fund (“Richards”) during this process
- Valitas negotiated a pre-emptive valuation and a deal structure that compared favorably to Clarion’s other alternatives on a risk-adjusted basis

HIGH VALUE DURING A PANDEMIC?

- Richards acquired Clarion for \$64.4 million (plus earn-outs) on June 1st, 2020
- The COVID-19 pandemic impacted Clarion’s aesthetic operations during the late stages of negotiations, which threatened to derail the transaction
- Valitas worked collaboratively with Richards’ financial advisor and the legal teams from both sides to implement a risk-sharing structure to address concerns with COVID-impacted performance post-closing

“Several times we were faced with serious roadblocks that threatened to halt the process but the Valitas team was superb in leading us through those roadblocks.”

- Samson Ling

Clarion’s shareholders realized a **double-digit EBITDA multiple** on closing, with an uncapped earn-out that would increase value by an additional **\$40 million** if the plan is achieved

1. Valitas’ Average Promoter Score based on client surveys. Valitas’ Net Promoter Survey asks clients “How likely is it that you would recommend Valitas to a friend or colleague?”, with 0 representing not at all likely and 10 being extremely likely. A rating of 6 or less represents a Detractor, 7 to 8 a Passive, and 9 or greater a Promoter. The [Net Promoter Score](#) (“NPS”) is calculated by subtracting the percentage of Detractors from the percentage of Promoters, with the NPS ranging from -100 to 100.