

M&A vendor due diligence case study

Whitehall Industries invests in sell-side due diligence to find acquisition value and document growth

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Setting the standard for world-class quality

Whitehall Industries is a vertically integrated extruder and fabricator of complex aluminum components and assemblies for the automotive industry. The company is best known for producing difficult-to-manufacture components and has a track record of successfully supporting some of the world's largest and most well-respected automotive original equipment manufacturers (OEMs) and Tier 1 suppliers on technically demanding vehicle programs.

Fueled by product innovation and advanced facility design, the company's growth surpassed industry benchmarks and made it a desired target for acquisition by an international manufacturer of comprehensive aluminum products. In preparation for a potential transaction, Whitehall turned to Crowe for assistance with sell-side due diligence.

Anticipating buyer concerns

Analyzing financial and operational performance offers opportunities to confirm value and detect issues before the initiation of negotiations with potential buyers. Crowe delivered a comprehensive report to showcase the company and provide buyers with financial and operational information to validate business growth, forecasts, and performance. The final report detailed the areas of frequent concern to potential buyers, including:

- Quality of earnings and cash flow
- Operational processes and controls
- Forecast analysis
- Balance sheet evaluation and summary
- Working capital analysis

“Based on an established relationship with Crowe, we trusted their expertise in financial accounting, and we knew they could provide the assistance we needed.”

– Anil Suri, CFO, Whitehall

Learn more

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Taking a proactive approach

Sell-side due diligence is a crucial step in selling a business, as it provides buyers with information to streamline the transaction process. By executing a thorough sell-side due-diligence process before negotiations, Crowe helped Whitehall:

- Document an understanding of business operations
- Develop a library of required documents to support the sale
- Anticipate buyer concerns and minimize negotiation surprises
- Identify transaction risks early in order to address valuation-reducing problems

“Crowe facilitated open communication between parties, responded quickly to questions, and helped us with information to execute a mutually beneficial transaction.”

– Anil Suri

“Enlisting Crowe to help conduct thorough due diligence early in the process reduced the likelihood of critical issues arising later and helped us maximize transaction negotiations.”

– Anil Suri

Sustaining an exceptional financial track record

Impressive growth under previous ownership demonstrated customer and market recognition of the company's attractive value proposition and unique capabilities. Whitehall's financial performance included double-digit increases in revenue, run rates, and gross margins.

“Our investment in due diligence provided the information we needed to evaluate our business, and it gave buyers what they needed to make an informed offer.”

– Anil Suri