



Tangible Solutions Maximizes Results in an International Sell-side Deal

In 2013, CEO Adam Clark joined Founder and COO Chris Collins at Tangible Solutions, which specializes in American-made 3D printed Titanium orthopedic implants. In less than ten years, they grew the company from their garage into a globally recognized contract manufacturer at a 25,000 square foot facility.

As Adam and Chris shaped Tangible Solutions into a globally-recognized player in the contract manufacturing industry, they began to receive acquisition inquiries. “We had a number of inquires, but nothing serious,” says Adam. The market had seen a lot of consolidation, however, and Tangible Solutions knew they had a product of real value.

So when several large European and North American companies became more serious about exploring a transaction, Tangible Solutions followed the prompting of their board to find a firm to represent them for a sell-side transaction in order to maximize the full potential of a deal.

Choosing RKCA

Adam and Chris interviewed several parties, but right away, RKCA was the obvious choice. “Many people seem to sell their businesses when they are reaching retirement age. While we were looking to take some chips off the table, we were also looking for a partner to help us grow faster. RKCA understood that better than any of the other firms that we interviewed,” says Adam. “RKCA realized this was a unique opportunity and we were looking to move at a fast pace.”

Within 48 hours of interviewing, RKCA presented Tangible Solutions with a detailed presentation to make their case. Adam describes how he felt during that deciding moment: “They were vetting us as much as we were vetting them. They were professional but not pushy. They came in with the vigor we were looking for.”

Additionally, RKCA’s extensive experience and network gave Adam and Chris the confidence that they understood the nuances to support a cross-border deal, which would be important if Tangible Solutions decided to go with one of the European offers.

RKCA encouraged Tangible Solutions not to limit themselves but to go

THE GOAL

Upon receiving several inbound inquiries, Tangible Solutions engaged RKCA to run a robust sell-side process to maximize the outcome for shareholders while preserving a future upside for the founders.

THE OUTCOME

Tangible Solutions not only closed a cross-border deal at a higher valuation than they expected but also mitigated risks along the way.



to market and consider other buyers. RKCA turned a few inquiries into ten written offers. “While some were more viable than others, it was still exciting to see the value of the business we’ve built,” Adam recalls.

Of course, going to market also heightened the stakes of the initial offer considerably.

The Challenge of Striking A Deal

Once negotiations really began, RKCA didn’t sugarcoat the process. From the beginning, they set and managed expectations—not only for Tangible Solutions but also for shareholders, legal representatives, accountants, and anyone else involved.

“So many people were on each call, it was impossible to change the schedule,” Chris recalls. “One day, I had to take my wife to a minor surgery. On the way, she held my laptop so I could stay on a call in the hospital parking lot.”

Another day, both Adam and Chris recall looking happily at a clear calendar. Three minutes later, five hours of the day were covered in calendar invites.

“But the hardest part was the realization of our own hurdles,” says Adam. “One month during diligence, our shipping numbers were low. RKCA was firm but fair in explaining how this would be received optically.”

Adam says when they came up for air at the end of every struggle, they understood more about both themselves and the company. For him and Chris, the challenge was worth it: “Even if we hadn’t done a deal, our business would have been better after walking through the selling process with RKCA. In retrospect, we would have hired them on business advisement in general.”

Additionally, Tangible Solutions says RKCA helped them understand the importance of legal protection, diligence, governance, and every other aspect of an international deal. “They really protected us,” explains Chris, “They were super knowledgeable about the chess involved in getting to a deal, so they built a wall around us and made it a high barrier. Nobody could call us directly—everything was handled through RKCA.”

Striking A Deal

In the end, Tangible Solutions reached an agreement with one of the interested parties, Marle Group, a global medical device contract manufacturer.

“Even if we hadn’t done a deal, our business would have been better after going through the sale process with RKCA. RKCA intimately understands what buyers value in the market and their thorough analysis of the various aspects and levers of our business helped us better understand and operate our own company.”

Adam Clark, CEO of
Tangible Solutions



The complexities of the transaction negotiations covered all facets of a deal. Both the Buyer and Seller wanted to stage equity purchase over time so that there was both management continuity and an upside for the founders from the growth of the company. Negotiations around net working capital were nuanced to account for an appropriate treatment for exiting shareholders. RKCA quarterbacked the analyses and studies the impacted both at the shareholder and an entity level, a few of those included:

- Section 382/NOL analysis was conducted against changes in the equity table to optimize future benefits;
- impact to personal taxes were modeled to ensure a tax-efficient structure;
- since the buyer was a non-US entity, CFIUS¹ studies were conducted with the help of Thompson Hine LLP's Washington DC office.

Additionally, each of these moving parts were negotiated with an international buyer through language barriers, accounting and tax policy variations across multiple time zones.

From the moment Marle Group and Tangible Solutions spoke, they clicked. Marle's two key leaders had worked their way up from the bottom, just like Adam and Chris had turned their business into a key player from the garage. The organization's leaders networked at shows and crossed paths in the industry for years. "They are a class act," Adam says.

Marle Group was also respected by Tangible Solutions' customers: "Nobody ever spoke poorly of them," says Adam. "Sometimes, customers would complain about their competitors. We didn't want the brand we worked so hard to build to be associated with even a tinge of angst. Marle is an elite brand."

Even though the ultimate buyer was someone that Adam and Chris knew prior to RKCA being involved, they feel confident that the outcome was far better than if they'd tried to negotiate the deal themselves.

"RKCA benefited us in every way," says Chris. "They gave us space when we needed to tend to the business; they gave us pressure when we needed to respond quickly; they gave us their opinions when we asked for advice; they gave us confidence in our true value; they gave us their undivided attention as we approached closing. The push and pull of the tides with respect to the deal is an art and was executed beautifully. That elegant performance alone is worth its weight in gold."

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Chris Collins, Founder and COO of Tangible Solutions



Both Tangible and Marle are excited about the partnership. Not only do they share mutual respect, values, and long-term vision, but their portfolios fit well together. Marle Group had wanted to enter the US market and grow their spine segment, and that segment comprises more than 80% of Tangible Solutions' market. Moving forward, they'll operate as Marle Tangible, which is poised to grow into a premier international contract manufacturer of 3D printed titanium orthopedic implants.

When asked what they'd say to other companies considering working with RKCA, Adam's response is immediate and simple: "Do it. Right away."

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1 The Committee on Foreign Investment in the United States - CFIUS is an interagency committee authorized to review certain transactions involving foreign investment in the United States by foreign persons, in order to determine the effect of such transactions on the national security of the United States.

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