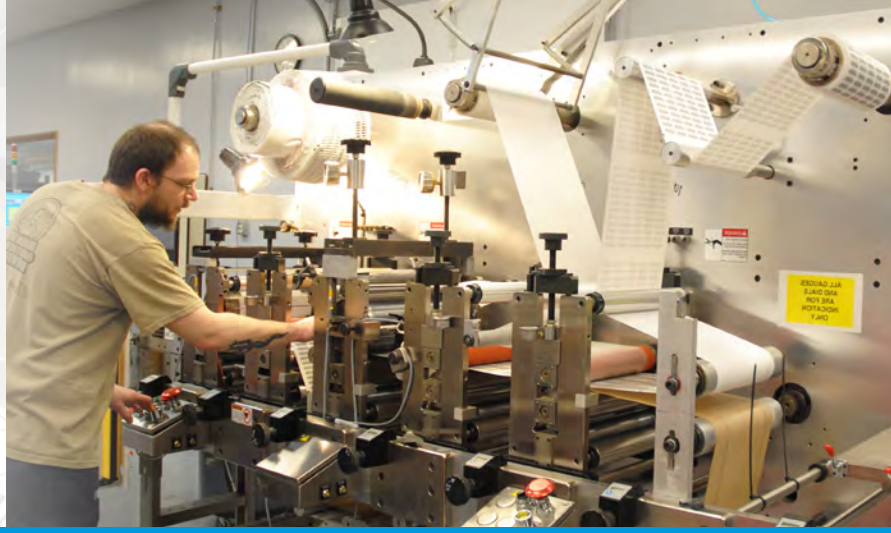




CASE STUDY

RELIANCE LABEL SOLUTIONS



Situation

Reliance Label Solutions, Inc. (“RLS”, “Reliance” or the “Company”) is a premier manufacturer and supplier of industrial labels and labeling solutions used in harsh-environment applications for customers in the chemical, lubricant and environmental industries. Reliance Barcode Solutions (“RBS”), a wholly-owned subsidiary of RLS that manufactures digital label and barcode label solutions for consumer, electronic, asset tracking and library industries, was also included in the transaction. Reliance and its Founder/Owner, Jay Frankenberg, are long-time clients of CC Capital Advisors (“CCCA”), as CCCA provided annual valuation guidance and strategic advisory for RLS dating back to 2015. As Reliance experienced rapid organic growth from 2015-2020 and valuations for industrial companies reached all-time highs, Reliance engaged CCCA to sell the Company with the primary objectives of finding a partner that would maintain company culture and provide existing management with the proper resources to realize their growth objectives.

“With their guidance, I was able to define certain performance metrics to help formulate the Company’s annual strategic plans. Upon achievement of these metrics and based on a review with CCCA, we decided to sell the business.”

- Jay Frankenberg
Past Chairman of the Board
Reliance Label Solutions, Inc.

Approach

CCCA diligently researched and developed a diversified list of potential buyers, comprised of numerous strategic and financial counterparties that included publicly traded companies, private equity firms, private equity-backed companies and family-owned companies. CCCA also tailored marketing materials to showcase the Company’s unique value proposition as a complete solutions provider of mission-critical labels, not just an ordinary label manufacturer.

The Company boasts highly defensible market attributes, such as proprietary intellectual property in both products and solutions, extraordinarily high customer retention aided by world-class customer service and a proven management team with over 200 years of combined industry experience. Reliance is proficient at eliminating its customers’ worries regarding labeling requirements by providing comprehensive labeling solutions through value-add manufacturing processes and industry-renowned customer service. The Company also has the ability to quickly deliver the most effective labeling solution for all its customers’ harsh-environment applications. Initially, the mission-critical nature of the Company’s offerings was not fully appreciated by counterparties due to the simplicity of label manufacturing in general; however, CCCA was able to successfully educate buyers on the complexity of Reliance’s products and solutions that differentiate RLS from other companies in the space.



Outcome

CCCA launched the RLS marketing phase in the first week of February 2021 and completed marketing in under 5 weeks, receiving significant interest from the large pool of potential buyers, including both strategic and financial counterparties. Management Presentations were conducted both virtually and in-person, or a combination of the two in a “hybrid” format.

RLS’s top-quality operations coupled with CCCA’s competitive sale process generated strong interest in the Company that resulted in valuations that exceeded the client’s expectations. Ultimately, RLS shareholders chose to partner with Mason Wells, a distinguished Midwestern Private Equity firm in Milwaukee, WI, who closed the deal on an accelerated timeline at the request of CCCA on behalf of the client. Mason Wells will provide the Company and its management team with the necessary resources to realize the Company’s next phase of growth.



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