

Idaho Timber Corporation Case Study

Company Description

- Idaho Timber Corporation (ITC) is the largest independent re-manufacturer of dimensional lumber, providing a wide range of wood products into the general construction and home improvement markets
- Headquarters in Boise, Idaho
- The Company has 9 lumber and building materials operations (including one primary sawmill) across the country



Seller Objectives

- Founder was seeking fair value and a long-term home for his company, management team and employees
- Critical to the transaction were:
 - Preservation of the ITC entrepreneurial culture
 - Maintaining a conservative capital structure
 - Speed and certainty of closing
 - Valuation reflecting cyclical nature of the business

Chartwell Solutions

- Closed the transaction within 30 days of signing a LOI
- Closing consideration of \$132 million funded entirely by partnership equity
 - Term loan was internally provided
 - Leverage contractually limited to 50% of enterprise value
- Valuation based on cycle average EBITDA (5-7 years)
- Capital and resources available to support growth