



**DEAL
LEADERS**
INTERNATIONAL

CASE STUDY:

Turning ESG Risk Into Opportunity

A Founder's Guide to Winning in a Tough Market



EXECUTIVE SUMMARY

Selling a business in a sector with ESG pressure? You're not alone. Whether you're in mining, manufacturing, chemicals, logistics or energy, ESG can feel like an invisible force shrinking your buyer pool and lowering your valuation. But here's the truth: with the right strategy and

partner, ESG risk can become ESG leverage. In this case, we helped a founder in the coal sector, arguably one of the toughest ESG spaces, achieve a premium exit. This story is about more than coal. It's about what's possible when you have the right team in your corner.

FROM FOUNDER UNCERTAINTY TO CLARITY AND CONTROL

We know what it's like as a founder: You've built something valuable, but the market seems to be moving away from your industry. ESG is dominating boardroom discussions. Investors are rewriting mandates. You start hearing: "It's a great business, but we can't touch coal... plastics... chemicals... logistics..."

Many founders feel stuck. You might be asking:

- Will anyone buy my business?
- Is my industry too risky?
- What if I don't know where to start?

That's exactly the space our client was in. A seasoned entrepreneur with a thriving business in the coal equipment manufacturing space—facing what felt like a brick wall of ESG resistance.

But he didn't need all the answers. He needed the right guide.

INDUSTRY AGNOSTIC INSIGHT

ESG Risk Isn't a Dealbreaker. It's a Red Flag That Needs Navigation.

Let's be clear—this case wasn't just about coal. It's about any industry under ESG scrutiny. We've seen this in:

- Industrial manufacturers with energy-intensive processes
- Chemical producers handling hazardous inputs
- Transport and logistics firms with carbon-heavy footprints
- Engineering service businesses operating in fossil fuel markets

What's common across these? Market perception. ESG policies. Risk-averse buyers.

But just because something is hard to sell doesn't mean it's not valuable.

THE BUSINESS

Solid
Fundamentals,
Sector Risk

Our client owned a business that most people would think is unsellable on paper:

- **Sector:** Coal mining equipment manufacturing
- **Location:** South Africa
- **Need:** 100% exit
- **Headwinds:** ESG sensitivity, BEE transformation complexity, post-COVID investor fatigue

And yet, the fundamentals were solid:

- 19% forecast revenue CAGR (FY22–FY27)
- EBITDA margins of 17–18%
- Zero debt, strong cash position
- Long-standing client relationships with Tier 1 miners
- Growth opportunities in neighbouring markets

The question wasn't whether the business was good—it was whether the right buyer could see its value.

OUR STRATEGY

Turning ESG Risk Into Competitive Advantage

At Deal Leaders International, we don't rely on hope or generic buyer lists. We roll up our sleeves and build a strategy tailored to each deal.

For this transaction, our goal was to:

- Navigate ESG risk strategically
- Reframe the narrative for investors
- Create a competitive environment that drove valuation

Here's how we did it:

1

Reframe the Risk

ESG wasn't ignored. It was tackled head-on. We positioned the business as an essential part of South Africa's energy infrastructure, highlighting its:

- Local empowerment compliance (BEE)
- Job creation in high-unemployment regions
- Contribution to grid stability and regional development
- Transition-readiness (including aftermarket services and diversification)

2

Strategic Buyer Mapping

We started with over 139 potential acquirers—but not just anyone. We filtered for:

- Experience in mining and industrial sectors
- Appetite for emerging markets
- Flexibility in ESG interpretation (private capital, niche strategics, industrial holding groups)
- Synergy potential (product, customer base, regional presence)

We approached 73 buyers through a curated, personal outreach process. This wasn't a "spray and pray". This was deliberate matchmaking.

3

Control the Process, Don't Just List It

Our Market Approach Strategy created a tight, time-bound process with structure:

- Executive summaries tailored to each buyer
- Strategic Q&A to surface key objections early
- Parallel conversations to generate urgency
- Transparent data sharing with control over sensitive information

This built deal heat—the competitive pressure that leads to action.

4

Leverage Internal Competition

What we didn't expect? Our process prompted the existing minority shareholder to raise capital and submit a formal bid. Why? Because we proved there was serious outside interest, and they didn't want to lose control.

This created an ideal scenario:

- A strategic buyer who understood the business
- Strong valuation based on market benchmarks
- Quick execution, local empowerment alignment, clean exit for the founder



WHY THIS MATTERS TO YOU

If you're a founder in a sector that ESG consultants say is "dead in the water", don't buy into that narrative.

- Yes, ESG adds complexity.
- Yes, you'll face more questions.
- Yes, the buyer universe is smaller.

But you still have options. You just need to:

- Tell the right story
- Engage the right buyer pool
- Structure the process with intention
- And above all, you don't have to do it alone.

OUR ROLE

Our Guide Through Complexity

At Deal Leaders International, we do more than just introduce buyers. We provide clarity when you're unsure, structure when things feel overwhelming, and energy when momentum lags.

We:

- Translate market noise into deal strategy
- Protect your time and legacy
- Drive competitive tension to maximise value

Founders aren't supposed to have all the answers. That's what we're here for.

This case study is based on a real engagement. Business and buyer names withheld for confidentiality. Results speak for themselves.

If you're ready to explore your options, we're here to help. One 20-minute conversation can change how you see your future. Contact us to get the conversation going