



CASE STUDY

ACQUISITION STRATEGY & EXECUTION

Stage18 raises exit valuation for middle market business solutions company



Client Situation

Investors of a middle market business solutions company were seeking liquidity at a top-of-range multiple. However, the industry was facing a downturn, resulting in lowered multiples and increased competition for selling or raising funds at reduced valuations. The company needed a strategic approach to enhance its value and position itself for a successful exit.

Stage18 Solution

Stage18 devised a comprehensive growth strategy that focused on innovation, market expansion, and corporate development. This included:

1. **Innovation & Market Expansion:** Stage18 identified gaps in the company's portfolio (market, product, client) and developed a list of competitors and other entrants. The company then pursued three acquisitions within nine months, two of which were 100% stock deals.
2. **Corporate Development:** Stage18 identified weak competitors at low valuations and low cash in areas that would bolster the company's strategy. The team estimated likely valuations and reached out to the highest strategic value targets.

Results

By implementing the Stage18 solution, the middle market business solutions company was able to accelerate its growth, enhance its value, and position itself for a successful exit at a higher multiple. This strategic approach allowed the company to overcome the challenges posed by the industry downturn and achieve the desired outcome for its investors.

By the Numbers

- ❑ Revenue growth increased by 50% on a pro forma basis.
- ❑ EBITDA doubled.
- ❑ Implied valuation increased by approximately 300%.
- ❑ The company was positioned for a liquidity event and a successful exit.

Stage18 is the premier growth acceleration platform for middle market companies