

CASE STUDY



Rapidly Expanding Direct-to-Consumer Online Juvenile Products Company Drawing High Multiple

Global Wired Advisors was retained by a highly regarded direct-to-consumer brand that operates within the juvenile products market.



A former high-level executive and seasoned veteran of the juvenile products industry launched the business with a partner, utilizing their combined decades of experience to develop an extremely successful company. Online mom communities consistently praised the Company's quality and excellent customer service, prompting a new wave of explosive growth that empowered the Company to quickly pivot away from third-party platforms like Amazon to sell almost exclusively through its e-commerce website. The management team quickly realized the business had exceeded the capacity of a two-man operation and what was intended as a retirement project for the senior founder would soon become a full-time venture. They immediately contacted Global Wired Advisors to find a strategic acquirer with the proper background and mindset to shepherd the Company through its next expansion phase. the Company's e-commerce website.

PREPARATION

The deal team began by collaborating extensively with the founders to develop thorough criteria for a prospective new owner. This individual or entity would share the founders' vision for the Company's future and would also have to accommodate the senior founder's constraints for compensation and scheduling regarding any consultancy position.

THE CHALLENGE

Despite commanding a high multiple (7.5x) due to its position within a fiercely competitive industry, the Company had a trailing 12-month EBITDA that was less than the target minimum for most larger acquirers. It would prove difficult, but not impossible, to find a strategic acquirer interested in a deal of that size who would also be flexible regarding the senior founder's requirements.

THE APPROACH

The deal team began conducting extensive research to identify the best prospects while simultaneously developing marketing materials that showcased the Company's remarkable success and highlighted its exponential growth potential.

**METHODOLOGY**

- Global Wired Advisors developed top-tier marketing materials to spotlight each founder's professional background and bolster the Company's credibility in the marketplace.
- The Offering Memorandum also featured a detailed product roadmap the Company's new owner could easily leverage to drive rapid short-term growth.
- Global Wired Advisors secured the interest of a private equity group in our network. After signing a Letter of Intent, the counterparty was furnished with copies of all pertinent corporate and financial documents.
- Due diligence and a quality of earnings assessment were completed successfully by the acquirer, and the transaction closed without interruption.
- The founders received more than they expected from the purchase and were satisfied with the outcome.

**CONCLUSION**

The senior founder assumed a new position with the Company and was given equity in the business as part of his employment agreement. He consults for the new owners on a part-time basis and is happy in his role, as well as the growth the Company has experienced post-transaction.

Though the Company started out as a young two-man operation with little infrastructure, the deal team was still able to create a tremendous opportunity for a strategic private equity buyer that was interested in purchasing a direct-to-consumer e-commerce business and secured a great price on a complex deal.

Global Wired Advisors overcame several hurdles to exceed our Client's expectations and we can do the same for you.

If you are considering an exit, please contact us for a Complimentary Consultation.