

Case Study

Accounting Practice Acquired by Private Equity Group

\$3M

Purchase Price

4.4X

Adj EBITDA Multiple

1.5X

Revenue Multiple

42

Buyer Showings

110

Days to Close

Transaction Overview:

A multi-office accounting practice turned to Sunbelt Business Advisors as their financial advisor to explore the sale of their business. The practice's capabilities covered a wide array of tax and accounting customers. These included businesses, their owners, other individuals including HNWI and non-profits. The three partners believed the business would grow under the guidance of a committed firm in the financial services sector. To ensure business continuity, the partners agreed to a staggered retirement after closing. A professional, confidential, milestone-driven marketing campaign by Sunbelt targeted qualified buyers.

Buyer Synergies and Results:

The client attracted strong interest from both private equity groups (PEGs) and strategic industry buyers due to its high margins and the depth of its management team. The firm's experienced CPAs and staff, along with the partners' staggered retirements, reduced transition risk and ensured continuity of client service, making it a compelling acquisition.

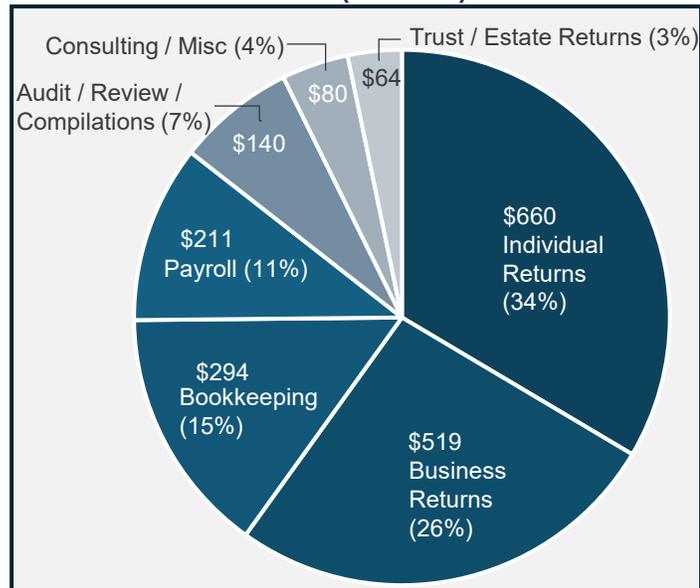
The selected buyer, a PEG growing a national platform, recognized the target would thrive under its larger organization. The PEG offered mostly cash at close plus an additional earnout.

Of the three partners, one planned to stay for one year, another for two to five years, and the third for five to ten years. Employment agreements were successfully negotiated and all three owners expressed satisfaction with the outcome.

Key Takeaways:

Sunbelt Business Advisors utilized its regional market reach by designing then executing a targeted 4-week campaign that engaged over 40 qualified strategic and financial buyers. Sunbelt's generation of competitive interest in a limited timeframe highlights the firm's deep network, precision in buyer targeting and proven process. Sunbelt confidentially maximized exposure then secured favorable terms and a smooth transition – delivering a superior outcome for these business owners.

Revenue Breakdown (In 000s):



Client Breakdown:

