

## Overview

Project Lincoln is a literacy education company with a 25-year track record of effective teaching methods. The company, owned by its curriculum author, served educators and students in small to mid-sized public, private, and charter schools. After engaging with True North Mergers and Acquisitions (TNMA) as the exclusive financial advisor, Project Lincoln was acquired by a strategic buyer. Project Lincoln offered tailored programs to enhance students' communication skills using multi-sensory strategies. The company operated in a dynamic market, fueled by federal ESSER funding and an increasing number of students who are facing literacy challenges. Currently, around 6 million K-5 students in the U.S. are struggling with reading and writing, emphasizing the importance of effective educational resources.

## Key Takeaways

This acquisition represented an exciting opportunity in a niche sector of the education industry for both private equity firms and strategic buyers alike. The company's appeal lied in its rapid growth, with revenue more than doubling in the few years leading up to the engagement, and its highly profitable education platform for individualized reading instruction, phonics, and writing that caters to diverse learning profiles.



The company also boasts a diverse customer concentration, further enhancing its market position and growth potential. The company also had several growth opportunities including targeting larger and urban schools, expanding the workforce to increase capacity, and investing in technology to enhance product delivery and customer engagement.

## QuietAuction™ Negotiations



Market value - an estimate of the current price at which an asset or enterprise company can be bought or sold

## Results

The company experienced a remarkable surge in financial performance, with EBITDA more than doubling in the year leading up to the transaction. This growth significantly enhanced the company's valuation, resulting in two acquisition offers that substantially exceeded initial market expectations. The dramatic increase in profitability not only demonstrated the company's strong business model but also positioned it as an attractive acquisition target, ultimately driving a higher price in the final sale price from the original market value.

## CEO Process Insights

### 01 Preparation Phase

The TNMA deal team evaluated market trends and buyer behaviors in detail, ultimately constructing an extensive list of more than 125 potential buyers.

### 02 Marketing Phase

TNMA's three-phase QuietAuction™ process and the business's attractive attributes resulted in two Letters of Intent that were well above original market value.

### 03 Execution Phase

In the final stages of the transaction, the deal team executed a comprehensive due diligence process and conducted a detailed quality of earnings review, culminating in a successful close.

## Buyer

### Strategic Buyer

## Synergy

This strategic buyer was a leading educational company that specializes in early literacy. Known for its innovative programs that teach writing and decoding skills to preschool and primary students in both English and Spanish, the acquiror aimed to address a gap in their current offerings. Recognizing the need for phonemic instruction in its current offerings, it sought to further its mission of improving literacy for children. Their strong position in the industry enabled them to build on the acquired company's legacy and reputation, ultimately improving their capabilities in education and broadening both companies' impact on both students and educators.

**Conclusion:** The seller decided to transfer full ownership of the business to retire while ensuring the company's mission would continue to thrive. By choosing a buyer from the education sector, the seller aimed to enhance the impact on children and reach a wider audience, staying true to the original purpose of the business. Trusting the buyer's ability to maintain the legacy and mission was essential for a smooth transition. This alignment of personal values with the buyer's vision created lasting positive change while successfully transferring ownership.