



TSG Case Study: Valuation

Appraising Market Value and Beyond

TSG has perfected a strategy to identify, qualify, and engage prospective buyers and sellers alike.

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Your Value. **Now.**

Appraising Market Value and Beyond

An independent sales organization (ISO) processing hundreds of millions of dollars annually engaged TSG to prepare a value estimate of their merchant processing assets with the goal of identifying strategic go-forward options. Assessing the valuation of the ISO provided actionable insights into their market position among peer competitors and opened the door to several strategic opportunities that allowed for additional growth and long-term profitability.

Objectives

1. Gain an understanding of the ISO's historical performance
2. Model future cash flow generation potential
3. Assess the marketability of the ISO
4. Consider potential buyer interests
5. Establish a fair market value of the target
6. Identify key characteristics that affected the value of the company

Steps to Success



TSG determined the value of the base portfolio and its sales engine component, separately



TSG identified the value by using our proprietary model and industry expertise



TSG defined the value at the merchant level to accurately identify the drivers of the portfolio



TSG provided analysis and recommendations on improving the value of the overall business for enhanced strategic options



TSG has performed more valuations of payments companies than any other firm, **completing more than 250 value exercises** in the last decade.

Appraising Market Value and Beyond

The result of TSG's valuation of the ISO provided a defined look into the drivers of the business and led to several strategic options, which ultimately concluded in a sell-side engagement where TSG was then able to take the ISO to market and position it to potential suitable buyers.

Go To Market

- Using the valuation information, TSG created a teaser that best highlighted and illustrated the assets, strengths and future performance of the enterprise.
- TSG carefully curated a prospect list of proven buyers – that had the funds, deal experience, and bandwidth to close a deal.
- Using an array of network connections, TSG made the necessary introductions and helped facilitate discussions among parties.
- TSG created an even competitive bid environment with buyers to allow for the best deal possible.
- TSG guided the client through the process to ensure all strategic options and objectives were covered.
- TSG provided the client the due care and professionalism to appropriately close the deal.

Outcome



The result of TSG's involvement with the transaction concluded in a purchase price **beyond the appraised value and exceeded the client's expectation**. TSG has perfected a strategy to identify, qualify, and engage prospective buyers and sellers alike.