

# Lyyti Case Study

## Key takeaways

### Basic info

June 2019

Finland

**VAAKA**  
PARTNERS

acquired

**LYYTI**

**TL** TRANSLINK  
CORPORATE FINANCE  
Advisor to the seller

### Deal takeaways:

- A complex and niche business requires diligent project management and preparation with a clear equity and growth story

### Transaction announcement

#### 2019-07-01 (Helsinki, Finland)

Translink Corporate Finance announces the acquisition of a majority stake in Lyyti Oy by the Finnish private equity house Vaaka Partners. Lyyti provides a web-based B2B software solution for collecting and managing participant data at events, including an array of advanced solutions and integrations for efficient participant data management and analysis. The Company has almost quadrupled its revenue over the past five years and currently employs circa 50 people. Translink acted as the exclusive financial adviser to the Company and the owners of Lyyti. Vaaka Partner is a Finnish private equity house focusing on the Nordic mid-market segment. Vaaka shares the growth vision of Lyyti's entrepreneurs: "Lyyti's profitable and fast-growing SaaS-business, very satisfied clients and existing platform integrations to global marketing automation and CRM platforms were key reasons for Vaaka Partners' interest in the company." Vaaka aims to support the company in developing an even stronger offering and to expand the business internationally.

The CEO of Lyyti Petri Hollmén comments on the process: "Before starting the investor project we considered not needing an advisor. In hindsight, we would have been in trouble had we not contacted Translink. The workload in a project like this is immense and the management should be able to focus on operative activities. Translink's ability to crunch numbers and make sense of complexity as well as efficiently control multiple simultaneous processes during the project was at a high level. Because of their expertise and unbelievably active service attitude we were able to concentrate on the essentials. Translink saved us from burning out during an intensive six-month period and spared hundreds of working hours from our company by taking full responsibility of the project. I am extremely satisfied with the cooperation and outcome."

### Deal summary

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- The transaction was announced on June 28, 2019
- Lyyti is a company founded in 2007 providing web-based B2B software solutions for collecting and managing participant data at events
- Lyyti's purpose is to allow for improved event data collection, storage, and analysis through its software
- Vaaka Partners was founded in 1989, and is a focused buyout private equity investor based in Helsinki
- It's latest fund, Vaaka Partners Buyout Fund III, has a size of EUR 225 m
- The case highlighted the need to have a clear and concise equity story, as Lyyti is a niche player with a multi-dimensional value proposition – Translink was able to craft a story that summarized the key points and was easy to understand for prospective buyers
- Translink's ability to maintain a steady flow of information and competitive sales process lead to the final bid being considerably (c. 50%) higher than the first received bid



# The Lyyti case highlights several of Translink's strengths

Translink was able to drive through the Lyyti case with clear project management, a thoroughly detailed growth story, and deep involvement in the details with low response times to data requests

Theme	Description	Case Impact
<p><b>1</b> Preparation and readiness dictates success of project</p>	<ul style="list-style-type: none"> <li>The Lyyti case imposed hundreds of data requests on Translink</li> <li>Preparation and resource planning was key in order to ensure transparency and quick responses</li> </ul>	<ul style="list-style-type: none"> <li>Considerable thought was put into understanding the case and foreseeing any potential problems, ensuring that the project deliverables were completed in a timely fashion</li> </ul>
<p><b>2</b> Equity and sales story are key from the get-go</p>	<ul style="list-style-type: none"> <li>Lyyti's case was relatively complex – a clear growth story increases likelihood of bid</li> <li>Some US investors were put off by an Europe-only growth plan – important to adjust story in accordance with buyer</li> </ul>	<ul style="list-style-type: none"> <li>Both the equity and growth story must be easy and quick to grasp – tech-heavy industries such as SaaS require considerable planning before kick-off</li> <li>Translink worked closely with Lyyti to craft a concise story</li> </ul>
<p><b>3</b> Competitive situation affects sales price</p>	<ul style="list-style-type: none"> <li>With diligent preparation and a correctly executed process an optimal competitive situation is created, which in turn leads to final sales price maximization</li> </ul>	<ul style="list-style-type: none"> <li>Lyyti's final sale price was 50% higher than first offer, showing that several buyers were interested in the firm</li> <li>Translink was able to provide a steady flow of information to all prospective buyers through diligent execution</li> </ul>
<p><b>4</b> Local teams with global support offer a best of both world's strategy</p>	<ul style="list-style-type: none"> <li>While selecting a large international investment bank might be an enticing solution, it often comes with higher costs and a team from London or Central Europe</li> <li>Translink offers local teams in Helsinki with Global support</li> </ul>	<ul style="list-style-type: none"> <li>By having a team in Helsinki, Translink was able to locally align and meet with the client, while still being able to contact buyers internationally through the extensive contact network spanning 30+ countries and all continents</li> </ul>
<p><b>5</b> Success-based fees aligns incentives between advisor and client</p>	<ul style="list-style-type: none"> <li>Translink model is based on fixed success fees and milestone payments for reaching set changes, with certain discretionary payments possible</li> <li>Model ensures both parties work towards same goal</li> </ul>	<ul style="list-style-type: none"> <li>Client felt that Translink was "on the same team" as them and thus was willing to closely cooperate with Translink, leading to a successful case</li> </ul>