

BlueWater Partners helps businesses identify and navigate a range of strategic alternatives. We specialize in senior-level advice on mergers, acquisitions, capital sourcing, performance improvement, turnarounds and merchant banking.

Investment Banking — Technology

A privately owned, Medical Technology company experiencing both working capital issues and shareholder discord.

Situation

- Client needed to raise capital to meet working capital requirements and fund ongoing product development and capital expenditures.
- One of three shareholders filed multiple lawsuits in District and Federal courts against the corporation and its other shareholders in an attempt to either gain control or exit his position to recoup his investment. Legal expenses soared and communication broke down. The ensuing conflict derailed previous attempts to raise equity through private placements.

Solution

- Our client hired BlueWater Partners to act as its exclusive financial advisor and pursue a sale of all or part of the company to a qualified strategic buyer.
- Met with each shareholder individually to understand their individual needs and desired outcomes to develop a process that preserved or met each shareholder's interests.
- Conducted a comprehensive assessment of client's business strengths, weaknesses, opportunities and threats.
- Developed and executed a marketing plan aimed at a targeted group of strategic buyers located throughout the U.S.
- Analyzed, negotiated and reviewed potential deal structures and tax implications.

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Results

- Client was acquired by a strategic buyer at a valuation multiple of historic peak revenues.
- Terms included cash and stock. The dissident shareholder recouped his capital contribution, while the other shareholders remained employees of the company, held stock in the acquiring company and retained the opportunity to realize further value appreciation (the acquiring company anticipated a liquidity event in 3-5 years).
- A prominent venture capital firm simultaneously funded the acquiring company.

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