

CASE STUDY

Pre-Money Valuation for Strategic Acquisition

Valuation · M&A · B2B SaaS

Independent valuation memorandum that supported a USD 4.2M acquisition negotiation, protecting the founders' interests against a strategic buyer.

** This case study uses modified representative data to protect client confidentiality. Metrics reflect real results but have been adjusted.*

4.2million USD
final valuation**5.8x**ARR multiple
negotiated**+20%**vs. initial offer
from buyer

CLIENT B2B SaaS	DURATION 5 weeks	ARR USD 720K	CONTEXT Acquisition
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The Challenge

A B2B SaaS company specializing in inventory management for retail received an unsolicited acquisition offer from a strategic competitor. With USD 720K ARR, 85 active customers, and a 12-person team, the founders faced the most important decision of their careers.

The buyer—a regional consolidator—had presented an initial offer of USD 3.5M, arguing it represented a "generous" multiple of 4.9x ARR for a company without positive EBITDA.

"We had no idea if the offer was fair. We needed someone to give us an objective view before sitting down to negotiate."

— Co-founder, Client

Information Asymmetry

The buyer had a dedicated M&A team and had completed **six acquisitions** in the past three years. The founders, on the other hand, had never been through such a process.

Non-Standard Metrics

The company had peculiarities that made direct comparison difficult: hybrid model (SaaS + services), revenue concentration in top 10 customers of **42%**, and post-pandemic growth deceleration.

Time Pressure

The buyer had imposed a **45-day deadline** to sign the LOI, claiming they had other opportunities in the pipeline. The founders needed clarity fast.

Our Approach

We developed an independent valuation memorandum using three complementary methodologies, with the goal of establishing a defensible range for negotiation.

Week 1–2: Financial Due Diligence

Detailed analysis of 36 months of financial statements, SaaS metrics (MRR, churn, LTV/CAC, NDR), and management projections. We identified necessary adjustments to normalize EBITDA and rebuilt unit economics by customer cohort.

Week 2–3: Multi-Methodology Valuation

We applied three approaches to triangulate value:

Methodology	Application
DCF	5-year projection, WACC adjusted for country and size risk
Comparables	12 B2B SaaS transactions in LATAM (2021-2024)
Precedents	Buyer's own acquisitions to establish consistency

Week 4–5: Memorandum and Negotiation Support

We delivered a 28-page memorandum with sensitivity analysis, value driver identification, and negotiation talking points. We participated in two preparation sessions with the founders before meetings with the buyer.

Results

Our analysis determined a valuation range between USD 3.9M and USD 4.5M, with a midpoint of USD 4.2M—significantly higher than the initial offer.

Metric	Initial offer	Close
Total valuation	USD 3.5M	USD 4.2M
ARR multiple	4.9x	5.8x
Upside captured	—	+USD 700K
Structure	70/30	85/15

Beyond improving the price, we negotiated a more favorable structure: 85% at close (vs. 70% proposed) and earn-out reduced to 15% with achievable targets based on customer retention, not aggressive growth.

Deliverables

- **Valuation memorandum** — 28 pages with three methodologies and sensitivity analysis
- **Financial model** — 5-year projection with base, optimistic, and conservative scenarios
- **Comparables analysis** — 12 B2B SaaS transactions in LATAM with adjusted multiples

- **Negotiation playbook** — Key points and responses to anticipated objections

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