Regional Trucking Company

Severe valuation constraint at exit

Regional trucking company seeking exit had <1X valuation.

Over 12 years, a family-owned, California-based regional trucking company (the Company) had successfully grown to $27M in revenue and was looking to exit. An initial valuation put the Company's exit value at less than 1X earnings. The Company was left with two choices: sell for what would amount to a return that was less than earnings, or find a way to dramatically increase valuation.

Zero Limits Ventures identified a market that offered a 7X multiplier.

Zero Limits Ventures (ZLV) was retained to complete a Valuation Growth Strategy and Strategic Exit Plan for generating greater returns. Upon completing the assessment, ZLV identified a key component to the Company's trucking business: specialized services for energy providers. ZLV's research discovered that the Energy Logistics Market hosted a 7X multiple. Under ZLV's guidance, the Company quickly and effectively rebranded as an Energy Logistics Supplier. After the pivot, a second appraisal revealed a significant increase in Company valuation.

Cash transaction was highly advantageous for Company owners.

ZLV was retained to negotiate the sale of the Company. The resulting cash transaction had no earn-out clause or holding period for Company Founders.

Company Overview

Industry
Trucking

Location
California, USA

Size
$27M

Situation
Limited returns for company seeking exit

Approach
Fast and effective pivot into new market

Impact and Advantage
Went from <1X to 7X valuation multiple

Services
Valuation Growth Strategy
Strategic Exit Plan

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