



Tequity provides merger, acquisition, and divestiture services to software and technology companies.

As former technology company owners and executives, we understand and appreciate the value of IP and how to find the right strategic fit between companies.

Past Transactions

www.tequityinc.com

416.483.9400

ACQUISITION OPPORTUNITY

Fully Managed Cloud and Managed IT Services Provider

Our client, code-named **AURORA**, is a leading provider of fully managed secure private cloud and end-to-end managed IT services to small and medium-sized businesses.

The company has built a sterling reputation in the market and enjoys high customer satisfaction levels, strong customer loyalty and has a highly skilled and experienced team. It has operated with minimal investment in sales or marketing activities and has the solutions, team, and market opportunity for dramatic growth in the hands of a sales-focused acquirer.

SERVICE OFFERINGS

AURORA's cloud offering manages their customers' applications, tools and data in a unified, secure and compliant private cloud environment. They bring tier 1 security to small organizations, in an easy to use environment while maintaining maximum flexibility.

Their customers enjoy:

- **Total Mobility** - Remote access to all your work files and apps from any device
- **Peace of Mind** - Disaster Recovery and Business Continuity features in an off-site data centre
- **Security & Compliance** - Enterprise class security and compliance, proven and reliable
- **Unified** -Web-Based, Windows-Based, Anything-Based, Side-by-Side
- **Flexibility** - Offline file access and intelligent file syncing
- **Expertise** - Access to expert IT resources when needed
- **All In Seat Price** - Simple predictable per user subscription pricing model
- **Fully Supported** - Keyboard to Cloud support
- **Improved Focus** - The ability to move forward without worrying about IT constraints is empowering to decision makers at all levels

AURORA's managed IT services include:

- On-site IT support,
- Remote help desk (24x7),
- Remote monitoring and NOC services,
- Data backup, business continuity and disaster recovery,
- Email security and spam protection and more

COMPANY HIGHLIGHTS

Company	<ul style="list-style-type: none"> ● Founded in 1992 and located in central Canada
Products and Services	<ul style="list-style-type: none"> ● Fully managed secure private cloud (CSP) ● Managed IT services (MSP)
Value Proposition	<ul style="list-style-type: none"> ● Competitive industry-leading solutions providing all-encompassing tools for SMB companies ● 25 years of excellent reputation in the business including 15 years in cloud services ● Highly predictive, low risk subscription service business model (high recurring revenue %) ● Mature, fully managed solutions both on premise and cloud ● Secure and compliant technology ● Highly skilled workforce - Strong and experienced technical team with

	<ul style="list-style-type: none"> deep understanding of a wide variety of IT solutions • Ready to go pre-built enterprise IT infrastructure with excess capacity available with state-of-the art 'New Build' • Ability to scale quickly and offer our cloud solution across Canada/USA
Workforce	<ul style="list-style-type: none"> • 12 Full time employees, 1 part-time employee and 1 contractor
Experienced Management Team	<ul style="list-style-type: none"> • Experienced management team committed to remaining post-transaction • Maintains strong relationships with customers
Customers	<ul style="list-style-type: none"> • All customers are located in Canada • Excellent customer relationships and an impressive customer satisfaction level • Strong case studies and references
Financials	<ul style="list-style-type: none"> • 84% recurring revenue offers stability and predictability • Highly profitable • No customer concentration

FINANCIAL OVERVIEW

FY Ending Jan 31	FY2015	FY2016	FY2017	FY2018E
Revenue	\$2,916,114	\$3,027,335	\$2,994,529	\$2,997,132
Recurring Revenue	2,356,101	2,512,220	2,523,867	2,513,946
Recurring Rev % of Total	80.8%	83.0%	84.3%	83.9%
Adjusted EBITDA	631,817	583,402	530,253	472,484
Adjusted EBITDA %	21.7%	19.3%	17.7%	15.8%

STRATEGIC OPPORTUNITY

AURORA is privately held by a sole shareholder interested in exploring options to accelerate the success of the company. Tequity has been retained to assist in soliciting and evaluating offers. Strongest preference is selling to a strategic buyer whose synergy, strategy, and resources will combine to take the company to higher levels of growth and success.

This opportunity will be of interest to:

- MSP's seeking to add a cloud infrastructure to their service and product offerings
- Existing MSPs who wish to add new clients and skilled people or wish to move into or expand their footprint in the Canadian market
- IT Services companies looking to add a Managed Services / recurring revenue component to their current model
- Private Equity companies with a Platform MSP portfolio company interested in add-on opportunities to broaden their market reach and increase recurring revenue

If this opportunity is a fit with your acquisition strategy, please contact me at asingla@tequityinc.com. Access to **AURORA** data room will be made available to selected companies following the signing of a non-disclosure agreement and initial briefing. We anticipate that discussion and meetings with qualified buyers will take place over the coming months with expectation of offers in the October/November timeframe.

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