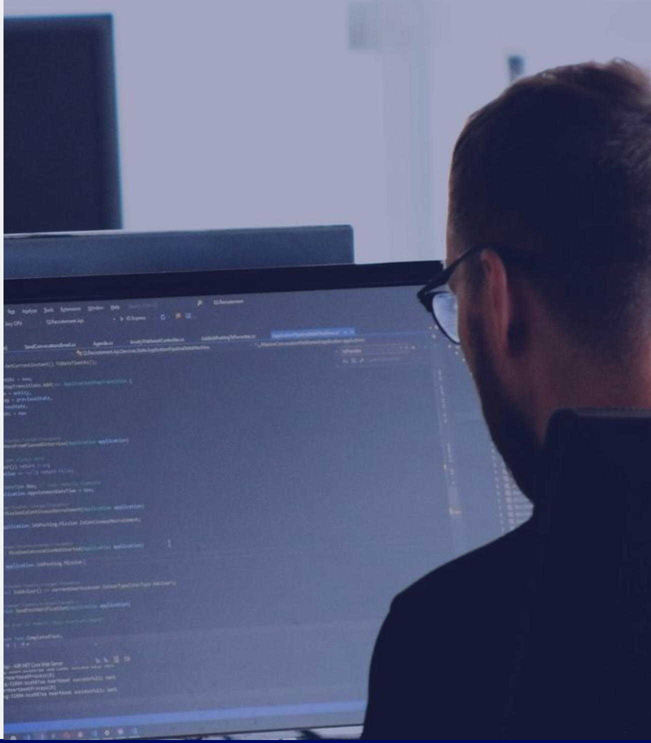
DEAL LEADERS INTERNATIONAL



CASE STUDY:

Finding the Right Growth Partner

How a South African Software Company Attracted a Global Buyer

EXECUTIVE SUMMARY

How do you scale globally when you've already saturated your local market? For one South African software business, the answer lay beyond the country's borders.

In this case study, we explore how Deal Leaders International (DLI) guided this company through a highly competitive, international process that resulted in a premium sale to a UK-based acquirer. The buyer wasn't just paying for the current business; it was buying into its future potential.

This successful deal marks a strong vote of confidence in South Africa's fast-growing tech sector. Global appetite for quality software businesses has never been stronger. Investors are actively looking for scalable platforms with cross-border potential, and South Africa's software firms consistently demonstrate world-class capabilities, technical innovation and operational excellence that rival those of established markets.

In this case, competitive tension played a key role with the following being achieved:

- A final offer 28% higher than comparable offers
- A 15% uplift during the process from the acquirer
- 7 total offers received (6 formal)
- Two higher-value offers declined due to risky structures

The acquirer's strategic rationale was clear: the seller offered a cost-efficient South African base with the upside of international expansion, particularly into the US and UK, through a trusted, vertically-specialised, IP-owned product with proven traction.

FROM LOCAL SATURATION TO GLOBAL ASPIRATION

Our client had built something remarkable in South Africa. Their software, underpinned by owned IP and specialised vertical-market functionality, was already well-established domestically. But with 30% of their client base located internationally, their growth potential clearly lay beyond local borders.

The challenge? South African financial and strategic buyers struggled to grasp or unlock that international upside. The founder needed a partner with the capability, network and strategic alignment to take the business global.

That's where DLI came in.

STRATEGIC INSIGHT

A Local Gem with Global Value

What made this deal unique wasn't just the software or the metrics. It was the strategic mismatch between local perception and global opportunity.

DLI identified early on that:

- The true value lay in future international growth, not current local performance.
- International buyers viewed South Africa as a cost-effective innovation hub, particularly attractive given its world-class tech talent and favourable pricing.
- Buyers were also seeking opportunities to cross-leverage customer bases and expand into adjacent markets through scalable platforms.
- Cross-border synergies mattered: buyers were looking to integrate IP, teams and customer bases across geographies for mutual gain.

THE BUSINESS

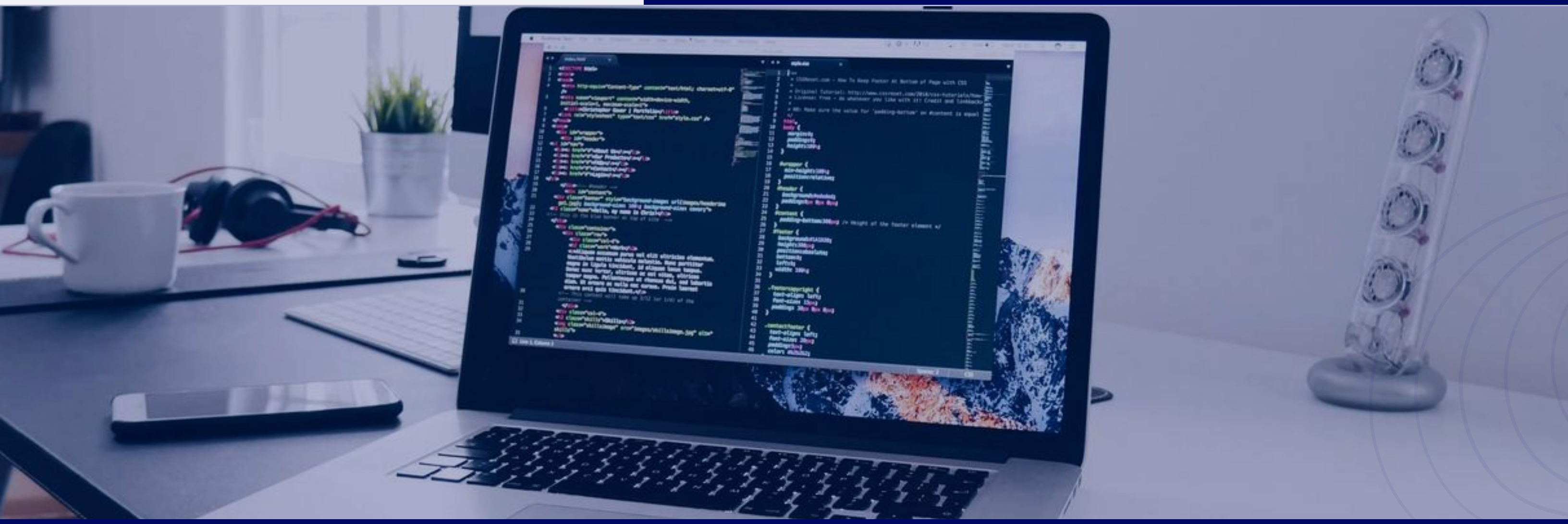
High-Quality Metrics, Undervalued Locally

The seller had all the ingredients the market prizes:

- Owned IP and vertical-market specialisation
- A standardised product with scalable deployment and minimal customisation
- High levels of annual recurring revenue (ARR), exceeding 75%
- Strong EBITDA margins and low churn
- Diversified blue-chip customer base with no over-concentration risk

They had achieved this through organic growth, with little to no external capital, showcasing execution excellence and financial discipline.

Despite these fundamentals, the first offer they received (verbal and outside of DLI's process) was less than half of what the final buyer ultimately paid. That's the power of a structured process.



OUR STRATEGY

Build Competition, Unlock Value

DLI's strategy focused on three key elements:

1 Global Buyer Targeting

We cast the net wide and engaged 129 prospective buyers. Country breakdown of the 115 displayed prospects (14 not displayed below due to isolated groupings):

43 – USA (1 offer)
20 – South Africa (1 offer)
12 – UK (1 offer and eventual buyer)
10 – Germany (1 offer)
7 – India
6 – Canada (2 formal offers, 1 informal)
5 – Belgium
4 – Australia
4 – Netherlands
4 – France

This outreach resulted in:

- 21 Information Memorandums (IM) sent
- 15 buyer meetings held
- 6 formal offers received (5 international, 1 local)

2 Competitive Tension

A structured, transparent process delivered:

- 7 offers, including one informal
- A 15% uplift from the initial to final offer by the buyer (R200m to R230m)
- A final offer 28% above comparable market offers (R180m vs R230m)
- Two significantly higher-value offers with unacceptable deal structures (advised against by DLI to protect the seller)

3 Buyer Fit Over Price Alone

This wasn't just about the highest bidder. The acquirer had the strategic capability and experience to scale our client's business globally, particularly in the US and UK, and held local insight through South African shareholder links.

THE OUTCOME: A GROWTH-FOCUSED EXIT

What started as a local business with global potential became a strategic asset in an international buyer's growth plan.

METRIC	RESULT
Offers Received	6
Total Offers (including informal & verbal)	8
Offer Uplift	15% increase during process
Value Premium	28% above comparable offers
Buyer Fit	UK-based buyer with SA experience and global growth strategy
Buyer Commitment	First SA deal, future pipeline confirmed
Market Engagement	129 prospects, 21 IMs, 15 meetings
Timeline	10 months from preparation to conclusion

"Thank you for running a very honest and transparent transaction process. Deal Leaders International is right at the top in terms of quality."
- Acquirer

WHY THIS MATTERS TO YOU

If you're a business owner with global ambitions, the right buyer may not be on your doorstep. But they're out there. And the difference between "good" and "great" lies in how your business is positioned, who you speak to and how the process is managed.

Don't let geography limit your growth.

OUR ROLE

Your Strategic Guide in a Global Market

At DLI, we help business owners see what's possible, follow a process that achieves it by bringing the right buyers to the table. In this deal, that meant:

- Framing the business as a global growth platform
- Building cross-border interest and urgency
- Helping the seller navigate a competitive and transparent process

Whether you're looking to exit fully or find a partner for your next growth phase, we'll help you get there.

If you're ready to explore your options, we're here to help. One 20-minute conversation can change how you see your future. Contact us to get the conversation going

connect@dealleadersint.com 27 (0) 11 084 0100 www.dealleadersint.com

This case study is based on a real engagement. Business and buyer names withheld for confidentiality. Results speak for themselves.