

Case Study: Broadsmart



Company Description

Broadsmart is a leading provider of cloud unified communications solutions for SMBs, mid-market and large enterprises nationwide. The business is highly profitable, having generated approximately \$13 million in revenues and \$4.6 million of EBITDA in 2015, an EBITDA margin of over 35%.

Situation Overview

Broadsmart was seeking an advisor to assist them in navigating a sale process. The Company’s cloud-based solution, rapidly growing customer base, strong channel partner ecosystem and profitability positioned the Company as an attractive target for certain larger strategic buyers hoping to acquire a cloud platform to use as a foundation for further growth and acquisitions in the UCaaS space.

Result

Q Advisors leveraged its extensive knowledge of the cloud communications and managed services sector to approach a narrow group of potential strategic buyers in need of a cloud voice and UC platform. The transaction with MagicJack allowed Broadsmart’s shareholders to exit at a strong valuation while also accelerating the Company’s growth initiatives as a wholly-owned subsidiary of MagicJack.



We met the Q Advisors team late last year. After an hour conversation with the team, it was clear that they had a great command of the managed services sector and the relevant players. They listened to our objectives, established the sale price we could expect and identified a projected buyer quickly. It was a true testament to the experience necessary in an M&A transaction. Q Advisors' deep team worked with us hand-in-hand on an accelerated basis to get Broadsmart an industry-leading exit multiple from a partner that we are excited to be working with as part of their senior management team. We look forward to working with Q Advisors in the future.

Todd Correll
Co-founder and CEO, Broadsmart

