

Triple Point Technology

Triple Point Sells Majority Interest to ABRY

In the hunt for quality firms, *third-party expertise is a plus.*

ABRY Partners, one of the most successful private equity investment firms in North America, approaches every opportunity with firm criteria: Is the company in areas they understand? Does it have strong management? Do their products stand out in a fast-growing market? Is their cash flow strong and predictable? Do they have loyal customers? And are there significant barriers to competition?

Hunting for companies that fit those criteria is easier when working with an advisory firm that has expert knowledge and experience in the domain. An example is the role played by Marlin & Associates (M&A) in ABRY's recent purchase of a majority interest in Triple Point Technology of Westport, Connecticut.

M&A was the exclusive strategic and financial advisor to Triple Point, the leading provider of integrated, cross-industry software platforms



Triple Point's solutions are used by more than 50 commodity and energy companies in 17 countries.

for managing the workflow associated with the supply, trading, marketing and movement of energy and physical commodities (e.g., power, oil, gas, coal, metals, agricultural products and freight).

The company had reached a position where they were regularly approached by strategic firms looking for an acquisition partner, as well as by private equity and venture capital firms interested in Triple Point's leadership within a burgeoning market sector. At first, the owners resisted, but when an attractive offer came in they decided to transact. Despite months of negotiating, a satisfactory deal could not be reached.

"...getting and closing an acceptable deal isn't as easy as it looks."

"The experience taught us a lot," says Peter Armstrong, Triple Point's co-founder and CEO. "We had come to see the benefits of teaming with a partner who would value what we had built, help us grow and give us some liquidity. However, getting and closing an acceptable deal isn't as easy as it looks."

Later on, Armstrong and his partners, co-founder Allie Rogers and COO Paul D'Amico, became more pro-active in the process. This time they engaged Marlin & Associates as their advisor. "We knew M&A from industry activities and were impressed with their expertise in financial technology and track record as a deal closer," says Armstrong.

The owners expected that "strategics" would offer the best price and that they would be acquired by an industry participant and integrated into a larger infrastructure.

Just six months after engaging M&A, Triple Point's three partners sold a majority interest to ABRY.

"We knew that industry players would be interested in Triple Point," says M&A CEO, Ken Marlin. "But, in this case, we also believed that the right financial firm might well step up to a market valuation, and construct an attractive transaction for the company's managers."



Peter Armstrong, co-founder and CEO, Triple Point Technology:

"We found a partner that understands our business, will help us get to the next level, met our personal liquidity needs, and gives us a chance to make more money later."

M&A helped the owners present the company's unique strengths to both strategic and financial buyers in several countries. Either way, they knew that success would depend on showcasing Triple Point's value as a strong, growing company, in a growing market, with good cash flow, acquisition opportunities and experienced management.

"The initial assumption was that we would have to sell the whole company and become employees," says Armstrong. "Instead, we found a partner that understands our business, will help us get to the next level, met our personal liquidity needs, and gives us a chance to make more money later."

"We should have hired M&A sooner."

Just six months after engaging M&A, Triple Point's three partners sold a majority interest to ABRY. Rogers realized his desire to exit completely. Armstrong and D'Amico obtained substantial liquidity and retained significant minority equity. They continue to run their business (with the help of a strong, experienced partner on the board), and they get a second bite at the apple: a chance to sell their remaining stock at a higher value in a few years.

"The big factors were M&A's relationship with key players in the industry and their negotiating skills, sometimes behind the scene," says Armstrong. "They explained our options clearly and conducted a tactical process that produced the best deal and partner. We asked them to get it done fast and they really delivered. They are excellent at showcasing an opportunity. We should have hired M&A sooner." ■

After M&A presented this opportunity,

ABRY conducted a thorough due

diligence review and found Triple Point

strong in the areas they look for:

product leadership in a fast-growing

market, strong management,

predictable cash flow, barriers to

competition and a very loyal

customer base.



**Royce Yudkoff, President,
Co-founder, ABRY Partners:**

"We have a great relationship with Marlin & Associates. They are experts in their space, who make our job easier by assimilating and providing us with critical information and a unique industry perspective. We like working with M&A because they have a positive impact on the transaction. They move fast, run a smooth process and know how to get a deal over the goal line."



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