



Apex Analytics, Inc.



Company Profile

HEADQUARTERS:

Greensboro, NC

INDUSTRY:

Business Services

TRANSACTION TYPE:

Buyout

INVESTMENT DATE:

April 2009

EXIT DATE:

July 2014

FUND:

II

This portfolio company case study offers summary information, is provided as an example that clarifies and typifies Incline's investment approach, and may not be representative of Incline's investments. Past results are no guarantee of future results and no representation is made that an investor or portfolio company will or is likely to achieve results that are similar to those of the company described. This investment was not chosen for its returns on investment.

Overview

Apex Analytics, Inc. is a leading provider of technology-enabled recovery audit services to leading retailers and Fortune 1000 companies. Services include vendor risk analysis, commercial and retail recovery, freight compliance, and sales and use tax audit recovery.

Transaction Dynamics

A partnership with management to acquire the company from a private owner. The founder and key members of management reinvested proceeds into the transaction.

Investment Thesis

- ▶ Market leader in multiple niche segments
- ▶ Strong recurring revenue and client base, including more than one-third of the Fortune 100
- ▶ Significant reinvestment from highly experienced management team
- ▶ Multiple avenues for organic growth, including scope expansions, increased market adoption and penetration, and international growth
- ▶ Highly scalable business model with significant opportunity to improve productivity and processes

Incline Value Enhancement

- ▶ Implemented cost reductions resulting in \$2.5 million of annual savings
- ▶ Realigned leadership to better suit company's strategy
- ▶ Improved audit productivity and efficiency of back-office operations
- ▶ Worked with management to implement new performance and productivity metrics, including weekly monitoring metrics