Equity Stories: A critical tool for Exit Readiness

How ESTEX® can help GPs drive successful exits from portfolio companies

2025



ACCELLENCY

A good equity story is key to exit readiness

A clear equity story can help buyout-owned companies get exit ready and deliver a successful sales process at an attractive valuation. Leading GPs have already incorporated equity stories & exit readiness as core components of their value creation process. By focusing on exit preparations, these GPs are taking control of portfolio liquidity early by positively impacting the perception of potential investors.

With successful exits high on most GPs' agendas, we explain how **Accellency's Equity Story for Exit Readiness (ESTEX®) methodology can benefit buyout GPs and their portfolio companies.**

Accellency is a pioneer in the use of equity stories for exit readiness.

Our 8-step ESTEX® methodology enables portfolio companies to transform their business strategy into a compelling financial narrative which clearly demonstrates value to future investors.



Nick Webb
PARTNER, LONDON

Executive Summary

01
The critical role of exit readiness

The context is well-known: despite the rapid growth in the number of buyout-backed companies over decades, exits have slowed significantly.

Buyout GPs have developed more systematic exit toolkits, including the Office of the CFO, enhanced capital markets capabilities and expanded roles for operating partners. A systematic approach to equity stories should also be an essential tool in their exit roadmaps.

02
A misunderstood value creation tool

Most portfolio companies and their owners believe that they already have an equity story. At the very least, they believe this is a short, simple exercise which can be completed during an exit alongside their sales advisors.

But the reality is more complicated. To boost a company's valuation and chances of a successful sale, equity story and exit readiness work should be completed *before* the sales process begins.

03
The ESTEX® methodology, Equity Story for Exit Readiness

ESTEX® is an 8-step process which systemically works through the critical value drivers of a company in the eyes of potential investors.

Through a series of workshops with management, closely aligned to the vision of existing shareholders, ESTEX® helps transform a company's strategy into a business narrative and set of key financial highlights. This is supported by marketing materials including an elevator pitch, investor presentation & talking points.

Executive Summary

04

Portfolio companies at high risk in *The Zone of Disbelief*

When a company has been significantly transformed, but the perception of its equity story remains static in the eyes of the market, then its valuation may be in the '*Zone of Disbelief*': the gap between sellers' realistic valuation expectations and the price that buyers are willing to pay.

This is a major risk for companies which have been through multiple sponsor-led processes because investors and advisors may have already formed strong convictions about the business.

05

Complementary to existing value creation workstreams

Buyout GPs have well-established processes and toolkits to drive value creation and prepare their portfolio companies for exit.

The ESTEX® methodology is designed to work smoothly with these existing processes, complementing both internal and external workstreams. The optimal timing to initiate an Equity Story repositioning is 18 months prior to the anticipated sales process, ahead of strategic review, VDD and transaction services workstreams.

06

Aligning management and Private Equity shareholders

A well-run equity story process takes a company's management team and its shareholders on a journey together, helping everyone to coalesce around a common vision.

This is crucial for private exits, capital raises and IPOs. When the time comes to meet with advisors and investors, this alignment ensures that the business narrative and financial highlights are delivered to all audiences consistently, boosting the credibility of the message.

Exit readiness:
A priority for buyout GPs

Equity Story positioning to create value at exit

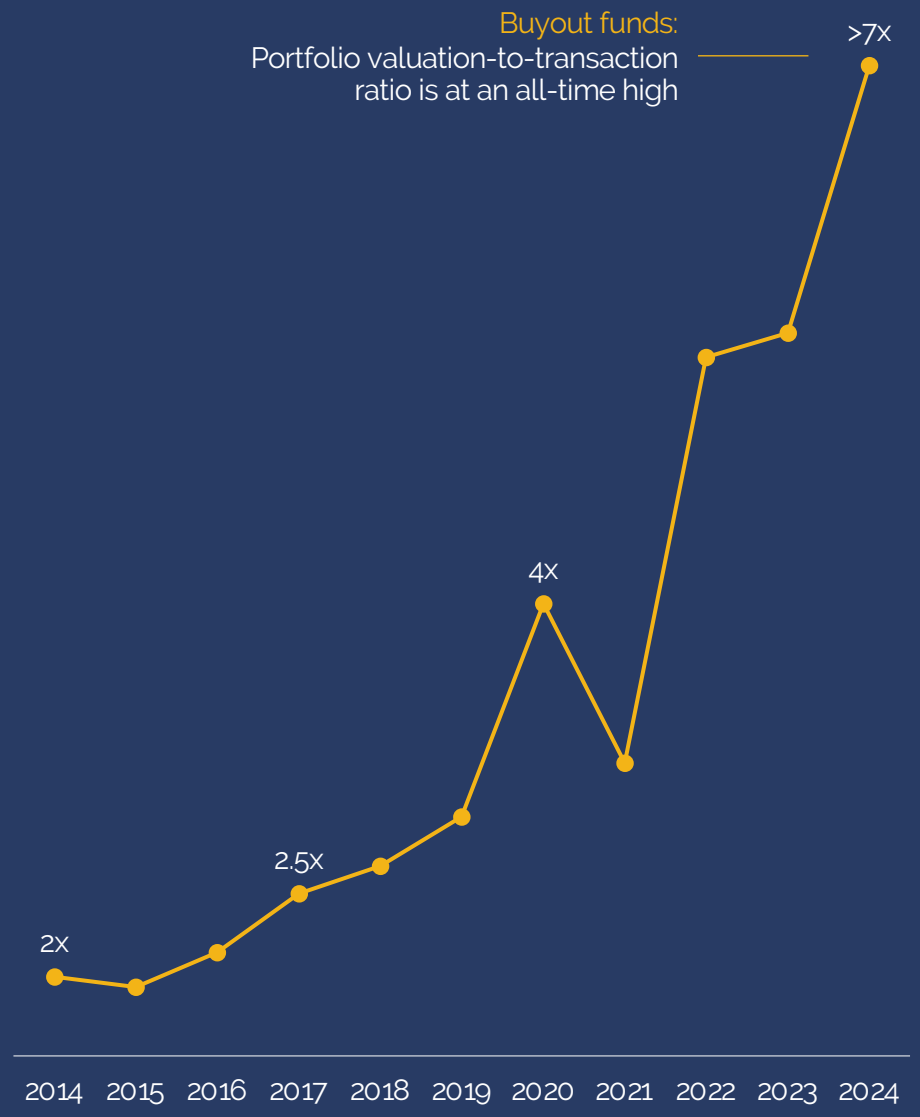


Fund valuations have soared while exits have stagnated

Low PE-exit volumes, driven by economic volatility, inflation and rising interest rates, have left many buyout funds and their LPs with capital tied up in unsold assets.

Although exits have slowed, portfolio valuations have continued to rise as sponsors and their management teams have driven growth via the implementation of successful value creation plans.

The consequence is a record imbalance in the investment market, with the ratio of portfolio valuations to transaction volumes rising to an all-time high of over 7x in 2024, based on analysis of data from Preqin. The average holding period for portfolio companies is now estimated to stand at 6 years – double its level at the turn of the century.



*Source: Bain; Preqin. 2024 figures above refer to valuations as at 31 March and transaction values up to 26 November.

Buyout sponsors driving innovation in value creation and exit strategies

Buyout GPs are prioritising their exit strategies to meet the liquidity needs and expectations of their LPs.

Exit readiness is becoming a systematic part of the ownership process.

Starting from the point of acquisition, GPs have expanded their exit toolkits to improve the valuation and liquidity of their assets, including:

- Dedicated "Office of the CFO" resources
- Enhanced capital markets capabilities
- Expanded roles for operating partners

Equity stories are an integral part of the exit readiness process – and a core workstream for buyout GPs as they prioritise exit strategies



Romain Richemont
MANAGING PARTNER, PARIS

5 key symptoms that your equity story needs reshaping



Outperforming addressable market

When a company's revenue growth outpaces its addressable market or its margins differ significantly from industry peers, this often signals a mis-defined market. What is often perceived as positive outperformance can in fact be a missed opportunity for sector multiple expansion.



Significant M&A activity

"Buy & build" and consolidation plays take the company further & further away from its original purpose and equity story. Revisiting the expanded company holistically is essential before launching a sales process.



Organic business model transformation

Buyout-owned companies often change their business model organically via new products, client types and geographies. When fundamental, these changes may require a complete reset of external perceptions.



Complex Go-to-Market

Some business models – particularly B2B2C – are inherently more difficult to explain, with a complex mix of partners, distributors & customers. Clearly identifying the key success factors and decision-makers in this ecosystem is critical to an effective equity story.



Management team misalignment

If key people within the management and/or investment teams are describing the company's equity story in different ways, this is likely to be exposed during a transaction process. The ESTEX® process is designed to help align key stakeholders around a core message.

The critical role of the Equity Story
Key benefits of developing a credible & compelling narrative



EMPOWERING MANAGEMENT

Enabling management to own and communicate their equity story helps drive clearer strategic thinking and more effective decision-making. This ensures that the team is aligned on long-term objectives and can efficiently execute their operational roadmap.



IDENTIFYING & RESOLVING STAKEHOLDER MISALIGNMENT

By focusing on the equity story, companies can identify and resolve gaps in stakeholder expectations and strategic priorities. Addressing misalignment early in the deal process can prevent potential conflicts or confusion that could derail a successful exit.



MAXIMISING TRANSACTION VALUE

A well-defined equity story helps showcase a company's growth potential, market strengths and long-term vision, making it more compelling to investors. This can inspire buyer confidence, boosting attractiveness and value realised at exit.

An equity story is not...

A work of fiction

Just because it's called a story, doesn't make it fiction. An equity story must be rooted in reality and supported by credible data. It's a function of the same business strategy which is driving the future growth and profitability of the company. A good equity story is aspirational, but authentic.

A ready-made solution

Crafting the right equity story is a comprehensive process to be led by management alongside the company's owners. Starting from strategic discussions on the business plan, financing, performance metrics, market trends and KPIs, it involves challenging the status quo and evolving the narrative and valuation from earlier investment rounds.

The company's history

After doing the hard work of delivering transformative change to a company, it's natural that management and shareholders tend to focus on these achievements. But it's crucial to focus on the story that future owners are buying into. This doesn't mean history is irrelevant. But the equity story should primarily be used to substantiate the track record of the management team and validate the company's strategy as a proof point for the delivery of the next phase of growth under new ownership.

Just for IPOs

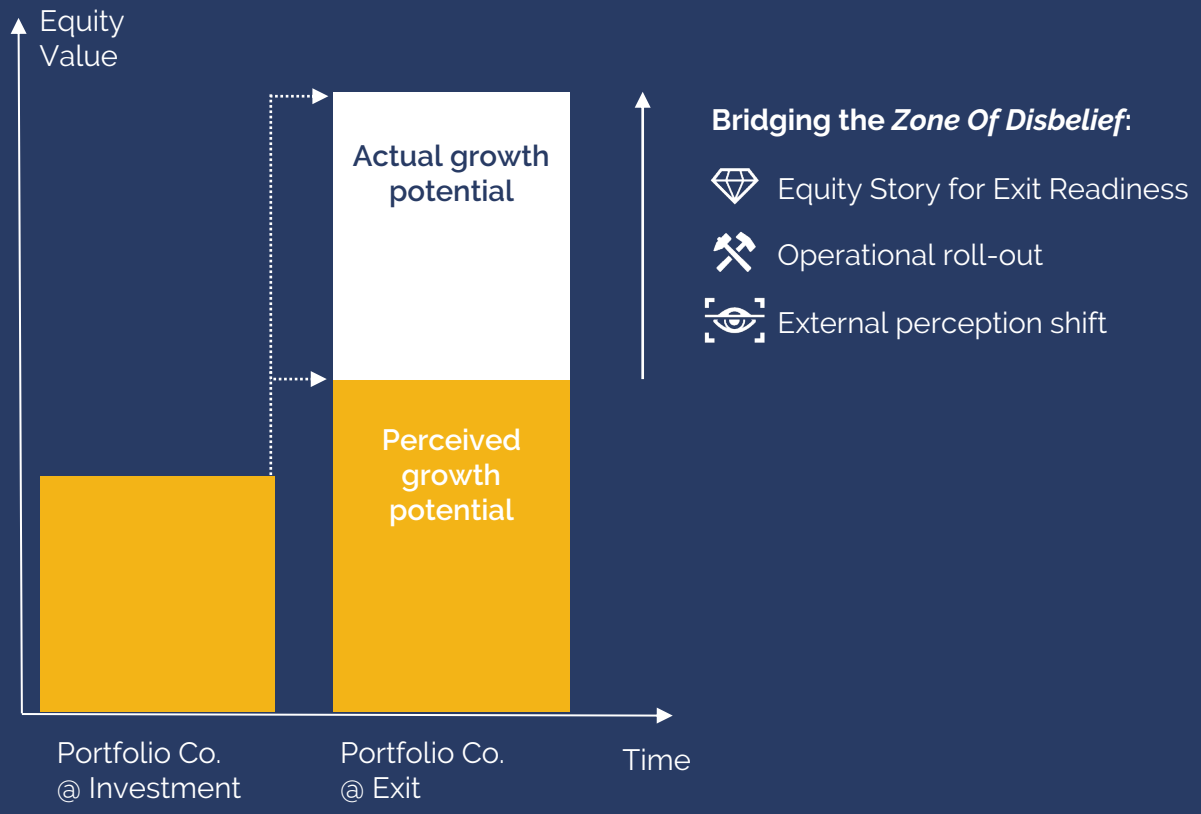
The idea that equity stories are only for listed companies is a common misconception. In fact, equity stories are essential for all forms of exit and are even more important for strategic buyers or financial sponsors. Participants in the buyout ecosystem will usually know the company well and may remember previous sale processes. They therefore have preconceptions which need to be re-shaped. Changing people's minds is harder work than helping them form a view on something new.



ESTEX® in practice

How & when to use it

Don't lose money in the Zone of Disbelief



The *Zone of Disbelief* emerges when a company has been transformed, but the equity story has remained static in the minds of other participants in the ecosystem: investors and advisors. It represents the gap between the realistic valuation expectations of sellers and the price that acquirers are willing to pay.

The risk of losing money in the *Zone of Disbelief* is much larger in buyout transactions than anywhere else, because investors may know the company from previous transaction rounds and there is typically limited disclosure in-between.

It's much harder to convince investors to believe in a new equity story positioning when they have entrenched opinions.

Equity Story for Exit Readiness, ESTEX®
a proven 8-step methodology

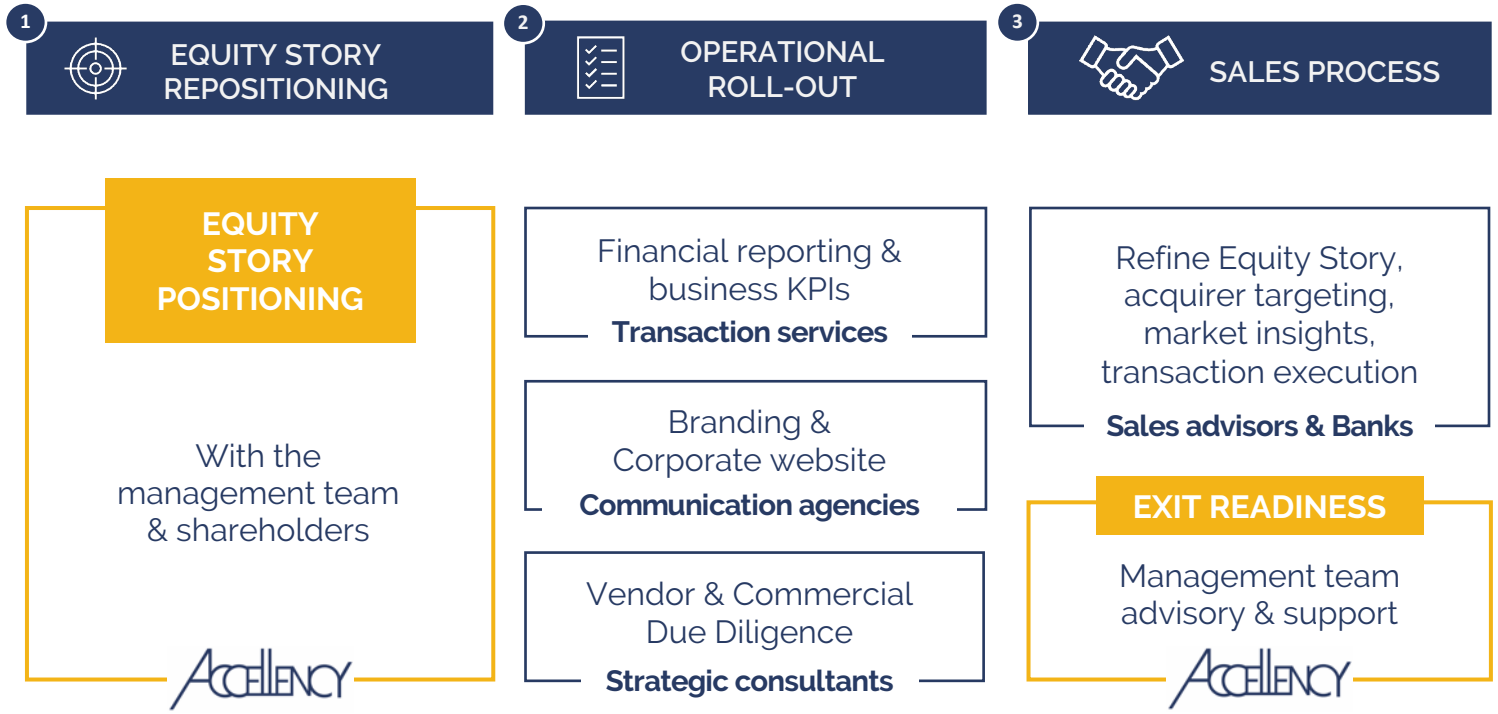


We can help you perform an equity story audit and repositioning to prepare you for exit readiness and success, using Accellency proprietary methodology.

Our systematic 8-step ESTEX® approach to equity story strategic repositioning - the result of 25 years of experience in investor relations and capital markets - is specifically designed to identify investment triggers.

This framework is applicable to companies in all sectors and regions to help them develop a credible and compelling equity story.

How ESTEX® complements existing value creation workstreams



> The content feels like it is us, but a better version of us – not due to 'gloss' but because we are finally articulated in the right way

Chief Executive Officer
LARGE CAP COMPANY
Financial Services
UK

From Equity Story repositioning to operational transformation and perception shift

With a crisp equity story, portfolio companies can start work early to ensure this aspirational financial narrative is rolled out internally across the organisation and used to help shift perception in the ecosystem.

Activating these internal and external levers early helps build credibility in the equity story.

This allows sellers to close the *Zone of Disbelief*, which prevents potential buyers from giving full value to a company and its growth prospects.



INTERNAL
Implementing change

1. Produce new business KPIs
2. Redesign financial reporting
3. Redefine business units
4. Implement new client categories
5. Adapt sustainability roadmap



EXTERNAL
Shifting perception

1. Anchor equity story at conferences
2. Initiate shift in the minds of banks
3. Revisit corporate branding & content
4. Develop specialist media presence
5. Launch investor meetings



Case studies

Successful equity story repositionings



Healthcare

#RevenueOutperformingTAM #ComplexGTM #StrategicM&A

DIAGNOSIS

A private equity-backed small-cap healthcare company engaged Accellency to reset its equity story after a failed exit attempt, driven by several key factors:

- **Revenue growth outperforming TAM** significantly, leading investors to question the sustainability of the growth profile
- **A complex go-to-market,** due to the company operating a platform model working with many intermediaries across multiple services
- **Unclear messaging post-transformative M&A activity**, which had reshaped the business but left the market uncertain about its direction and value.

SOLUTION

We successfully positioned the company for a smooth transaction process by:

- **Leveraging our proprietary 8-step ESTEX® methodology** to craft a compelling equity story, starting with collaborative workshops with senior management
- **Developing a powerful new narrative** to showcase the scalable & diversified service platform
- **Creating an engaging, investor-ready presentation suite,** including a company deck, elevator pitch and media kit
- **Coaching senior management,** using a bespoke approach for an established CEO and less experienced executive team

OUTCOME

Our work led to the successful re-launch of the sales process, culminating in the full sale of the company to another LBO fund at a higher valuation than originally anticipated. This was driven by:

- **Strong endorsement of the newly crafted equity story from both the management team and shareholders,** who fully integrated our recommendations into investor marketing materials
- **Substantial improvement in investor response,** with the new equity story providing a significantly clearer narrative around the company's revenue growth drivers and its expanded addressable market



Financial Services

#ComplexGTM #RevenueOutperformingTAM

DIAGNOSIS

A growth equity-backed mid-cap financial services company engaged Accellency on a retainer basis, to support with an equity story repositioning ahead of another round of private capital raising.

The company had established itself as a challenger to traditional incumbents through unique proprietary technology and was fully regulated - but struggled to position this as a strength. Other complexities included:

- **Complex go-to-market strategy,** requiring clear communication of the company's diverse sales channels and growth drivers
- **Revenue growth dramatically disconnected from the addressable market,** leaving investors struggling to substantiate its profile & prospects

SOLUTION

Accellency helped the company successfully reposition its equity story ahead of the private capital raise, using our proprietary ESTEX® methodology. This was followed by support across three core workstreams:

- **Delivering a comprehensive transformation of their corporate website,** fully aligning content with the new equity story to ensure a cohesive online presence
- **Coordinating press coverage,** by working closely with their press relations agency, reviewing press releases & preparing key media talking points
- **Strengthening investor community perception in financial conferences,** through the creation of a concise teaser presentation and tailored coaching for management

OUTCOME

Our support allowed the financial services company to efficiently roll out their new equity story with minimal disruption to business operations.

This success was underpinned by:

- **Tailored messaging:** we crafted a compelling, cohesive narrative that resonated across diverse audiences, from potential investors to industry stakeholders, ensuring alignment across all communication platforms
- **Cross-channel coordination:** by coordinating efforts across the website, media outreach, and investor materials, we ensured a consistent and unified story, maximising impact and engagement in each channel



Technology

#ComplexGTM #OrganicBusinessModelTransformation

DIAGNOSIS

A private equity-backed large-cap technology company, which had previously engaged Accellency to reposition its equity story, was preparing for an IPO. It was critical to ensure that the refreshed narrative was crystallised across all IPO materials, while addressing key strategic complexities:

- **The refreshed equity story needed to be aligned with a targeted go-to-market strategy,** ensuring consistent messaging across IPO materials and stakeholder outreach
- **The need to shape market perception post-transformation,** by reinforcing the new strategic direction and addressing any lingering stakeholder concerns prior to the IPO process

SOLUTION

Accellency was retained throughout the IPO process to oversee the development of financial marketing materials and ensure the equity story remained central to all communications. This included:

- **Collaborating closely with sales advisors, shareholders and other key advisors** to refine the investor presentation, information memorandum and other IPO materials, aligning them with the equity story
- **Providing tailored scripting and coaching for the management team,** to ensure they were fully prepared for the investor roadshow and able to effectively communicate the company's vision and growth plans

OUTCOME

The IPO was successfully executed in a quieter equity capital markets environment, marking one of the largest IPOs in Europe for several years.

This success was driven by:

- **Consistent alignment of the equity story across all marketing materials,** which enabled the management team to clearly articulate their vision to investors
- **A clear and compelling narrative presented to the market,** resulting in a favourable valuation and strong performance at listing



Financial Services

#RevenueOutperformingTAM #OrganicBusinessModelTransformation

DIAGNOSIS

A private equity-backed financials company was significantly outperforming its core markets whilst also responding to favourable changes in its regulatory environment with the development of a services-led proposition for a new client category. Well in advance of a sales process, the company needed to address the following perception challenges:

- **The company's longstanding leadership in a well-known, traditional area of finance,** meant that the perception of investors was firmly established, making it harder to convince them of the value of a fundamental shift into a new activity
- **The new services-led activity was transforming the company's financials** into a less asset-intensive, more profitable profile, with greater scalability

SOLUTION

Accellency supported the company through a full equity story repositioning, deploying our proprietary ESTEX® methodology through a series of workshops with the company's executive committee.

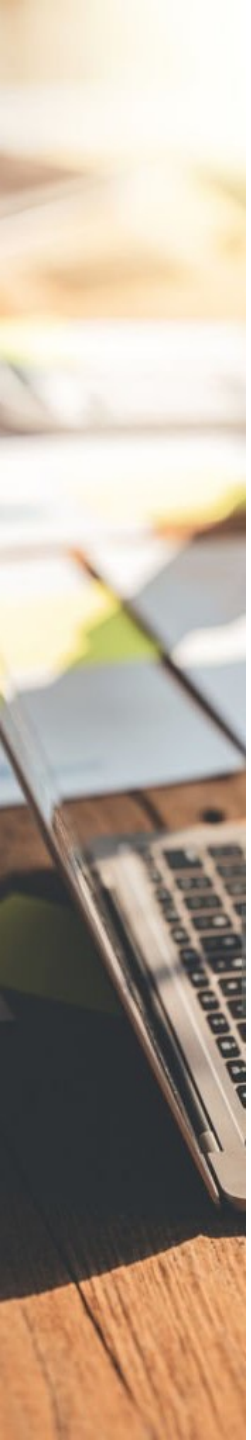
This involved:

- **Crafting an equity story,** substantiating the significant new market opportunity and the company's unique positioning to take advantage of it
- **Fully producing a new investor presentation,** which clearly explained the business narrative and focused on the company's financial highlights
- **Drafting supporting materials**, including an elevator pitch, talking points and model Q&A

OUTCOME

Accellency's support enabled the company to clearly communicate its new equity story using well-structured and designed materials. This enabled the company to:

- **Firmly align its executive management team and shareholders around the new narrative,** enabling both senior management and the investor team to identify and communicate with potential buyers
- **Begin its operational roll-out and external perception shift** by providing a clear direction for various workstreams including restructuring its financial reporting, re-branding and investor outreach plans



Business Services

#ComplexGTM

DIAGNOSIS

A private equity-backed business services company was preparing for a potential exit on a relatively short time scale.

While work with sales advisors had already begun, the investment and management teams had two problems:

- **The compelling equity story was not adequately reflected in investor marketing materials,** underselling the quality of the company, its strategic positioning and growth prospects
- **Key stakeholders had not been fully prepared for investor meetings,** risking the impact of the sales process through unfocused or inconsistent messages to potential buyers

SOLUTION

Accellency deployed an **Exit Readiness** mandate to support the company in advance of the formal launch of the sales process.

This included:

- **Auditing the equity story,** rapidly identifying the strengths & weakness of the current narrative and making suggestions for changes which could be implemented quickly
- **Reviewing and re-drafting key marketing materials,** to help better structure and present the key business and financial highlights
- **Drafting an elevator pitch** for all stakeholders to deliver consistently to investors

OUTCOME

The company and its advisors were able to implement changes to the equity story and investor materials quickly, sharpening the pitch at a crucial time shortly before the launch of the transaction process.

This resulted in:

- **An attractive, growth-focused story,** built around the company's positioning and expertise in a high-growth market
- **More professional and impactful** presentation materials
- **Fully-aligned management team investment team and sales advisors,** able to confidently deliver a consistent pitch to investors

The Accellency team
Our in-house expertise

We are a team of senior, highly experienced financial professionals. Based in London & Paris, we bring deep expertise from long careers in investment banking, institutional sales, fund management, equity research and investor relations.

Through our dedicated Equity Story & Exit Readiness practice, we provide the strategic insights and expert support needed to craft a compelling equity story and achieve a successful exit.

To learn more about how we can support your company in preparing for exit, please contact our ESTEX® team below.



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Accellency is a strategic consultancy dedicated to Investor Relations and Capital Markets.

We advise investment funds and portfolio companies on strategy, content and delivery to raise capital, increase investor engagement and boost valuation. Our team brings together highly experienced professionals in investment banking, equity research, institutional investment, sales and investor relations.

For investment funds, we design and execute business development roadmaps ranging from fund positioning and GP platform strategy to roadshow preparation, AGMs and thought leadership publications. For portfolio companies, we pioneered the use of equity story as a tool for exit readiness. We advise on private exits and IPOs as well as helping listed companies take control of their equity story to maximise valuation.

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