

Leading shift scheduling solutions company finds home in POS platform

DEAL FLASH | TMT | SEPTEMBER 2022

DEAL SNAPSHOT

Sling Inc., a market-leading SaaS-based employee scheduling, communication and management solutions company, has been sold to Toast Inc., the all-in-one digital technology platform built for restaurants.

Following its launch in 2018, Sling focused on ease of use, intuitive features and best-in-class user experience for shift-based employers and their staffs, and quickly captured a significant market share in the hyper-competitive employee scheduling, communication and management solutions space in North America across several key verticals, including restaurants, hospitality, healthcare and retail operations. Sling was supported by experienced technology investors, including Crowberry Capital of Iceland, a newly formed female-led VC group that invests at the seed and early stages of emerging technology ventures in the Nordics.

Toast [NYSE: TOST] is a cloud-based, all-in-one digital technology platform, purpose-built for the entire restaurant community. Toast provides a single platform of software as a service (SaaS) products and financial technology solutions that give restaurants everything they need to run their business across point of sale (POS), operations, digital ordering and delivery, marketing and loyalty, and team management. It helps restaurants streamline operations, increase revenue and deliver amazing guest experiences. The acquisition of Sling adds to Toast's growing suite of payroll and team management products, which include Toast Payroll, Toast Tips Manager and Toast Pay Card & PayOut.

OAKLINS ASSISTS IN FINDING THE RIGHT PARTNER

Oaklins DeSilva+Phillips' TMT team in New York acted as the exclusive financial advisor to Sling Inc. The team built a case to support a bid for the company that exceeded the price/ARR multiple of the buyer by 2.5x, and successfully closed the transaction in an accelerated time frame. Oaklins coordinated and managed over 25 discrete due diligence workstreams with counsel and accounting advisors in the USA, Iceland and Poland.

"I truly did not fully understand all the effort that goes into selling a company when I started the process, but now I know that it is much harder than actually building one. I truly appreciate your help and I am grateful to have you all on my team to make this happen the best way possible. You guys work miracles!"

HELGI HERMANNSSON
CEO, SLING INC., ICELAND

"By adding Sling to the Toast platform, we can provide a more comprehensive suite of team management products purpose-built for restaurants, from new hire onboarding to payroll processing, and now the ability to schedule shifts across the team. Our customers will benefit from the ability to simplify communication across their team, control their labor costs and efficiently manage their teams through one integrated platform. We're delighted to welcome the Sling team to the Toast family."

AMAN NARANG
COO AND CO-FOUNDER,
TOAST INC., USA

MARKET TRENDS & DEAL DRIVERS

As witnessed across the economic spectrum, the COVID-19 pandemic accelerated the digitization of businesses of all sizes, and forced the creation and adoption of entirely new business models.

The restaurant industry bore much of this dislocation (curbside pick-up, delivery and contactless transactions) and technologies that helped enterprises meet these challenges, increase productivity and streamline traditionally manual processes played an important role.

Importantly, the technologies that increase business adaptability, lower costs and accelerate these transformations stand to benefit from these tailwinds.

M&A VALUATION ASPECTS

By focusing on exceptional strategic fit, synergies and business model efficiencies, Sling and its owners achieved a price of over 20x trailing revenue in a market where revenue multiples had retreated from 15x to 6x in the preceding nine months.

The initial offer was improved by 150%, in spite of significant market headwinds that resulted in a 70% decline in the market value of the purchasers' share price during the period from LOI to closing.

TALK TO OUR ADVISORS



✉ JOHN CHAPARRO

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With over 30 years' experience, John has a distinguished track record in advising owners and investors in HCIT, including UnitedHealth/Optum, Warburg Pincus and Francisco Partners. Most recently, he advised Golden Hour Data Systems, Inc., a market-leading provider of information systems for fixed and rotary-wing air ambulance system operators globally, in their sale to Zoll Data Systems, a subsidiary of publicly traded Asahi Kasei.

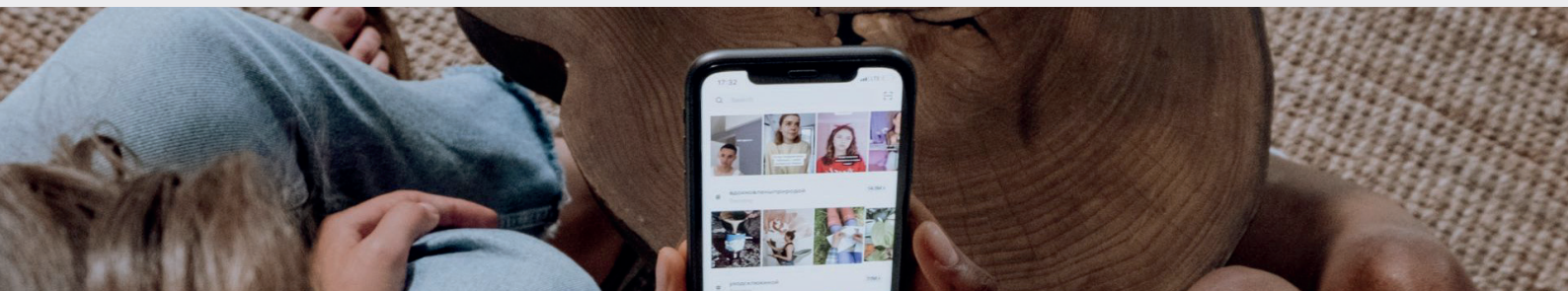
"We were pleased to deliver a high-watermark transaction for Sling and its owners. Despite an exceptionally challenging market environment, the restaurant technology space is at a time of great innovation and the acquisition of Sling will help further Toast's leadership position in this dynamic market. Oaklins' strategic industry insights and exceptional execution capabilities delivered an outstanding result for both our client and the buyer."



✉ JOANNA STONE HERMAN

Partner, TMT Specialist
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Joanna has over 20 years of industry experience. Prior to joining the firm, she was SVP of global strategy for LexisNexis. Notable transactions include representing Workman Publishing on its sale to Hachette Book Group, Deutsche Boerse on the sale of its news and algorithmic trading information business, and supporting the acquisition of Netmaster Holdings Limited (CaseLines) by Thomson Reuters Corporation.



OAKLINS HAS CLOSED 1,172 DEALS IN TMT

United by a strong belief that we can achieve the extraordinary. Oaklins is a global team of 850+ financial advisory professionals in 45 countries providing M&A, growth equity, ECM, debt advisory and corporate finance services to support entrepreneurs, corporates and investors in reaching their goals.

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