



## CASE STUDY: PROJECT SUNSHINE

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# STS TURNS CLIENT'S FINANCIAL BURDEN INTO PREFERRED EQUITY WITH FUTURE UPSIDE POTENTIAL

STS successfully closed a compelling transaction in the food & beverage industry, delivering an approximate 2.19x revenue multiple. By converting their client's ongoing financial obligation into preferred shares in a growing company, STS unlocked the opportunity for future upside participation.

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**2.19x** REVENUE MULTIPLE

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## ABOUT THE CLIENT

The client was the largest independent rum brand in the U.S. and was backed by a well-known celebrity owner. A significant personal investment was made to scale the business. Despite a strong market positioning and sales growth, the business remained unprofitable. STS was engaged to lead them through the exit process and challenging market conditions.

## THE APPROACH

STS targeted strategic buyers capable of integrating the brand into a larger portfolio. After generating significant interest, STS narrowed the field to a select group that presented future growth plans. The client chose a strategic buyer who offered the greatest potential for long-term growth.

## THE END RESULT

They merged with a strategic buyer managing a portfolio of fast-growing brands, eliminating the need for ongoing personal investment to cover operational expenses. The client received a significant amount of preferred stock in the combined entity and continues to participate in its future upside. The acquiring company is now able to streamline production, distribution, and marketing efforts to drive efficiency.

**For more information on how STS Capital Partners can assist in selling your business and make an Extraordinary Exit™ possible, contact [ExpertGuides@stscapital.com](mailto:ExpertGuides@stscapital.com) or visit [stscapital.com](http://stscapital.com).**