

EventLink, LLC (wholly-owned sub of EL Holding Company, Inc. and Subsidiaries)



- Very robust liquidity and operational efficiency is offset by rising leverage, mainly due to a drop in Cash (-90% since FY-21).
- PE-ownership since 2017 may bolster Eventlink's market stance and operations, yet an Exit might be nearing.

Strengths

- **Strong Liquidity Position:** Eventlink, LLC exhibits a robust liquidity profile with a current ratio of 3.01, significantly higher than the peer median of 1.34, indicating a strong ability to meet short-term obligations.
- **Operational Efficiency:** The company's EBITDA margin of 14.8% outperforms the peer median of 8.3%, reflecting superior operational efficiency.
- **High ROCE:** A Return on Capital Employed (ROCE) of 15.3% compared to the peer median of 6.1% suggests effective utilization of capital.

Challenges

- **Increasing Leverage:** Reaching 0.98 in FY-23, mainly due to a contineous decline in Cash since FY-21 (-90%). However, EBITDA grew by 70% since FY-21, a timeframe during which Debt increased by just 20%.
- **Asset Utilization Efficiency:** A decrease in asset turnover ratio from FY-21 to FY-23 suggests reduced efficiency in using assets to generate revenue. Yet, this figure is mainly influenced in that direction by Goodwill, and therefore not the most reliable KPI.
- **PE-firm:** Fort Point Capital acquired EventLink in 2017. Given average investment horizons for PE-firms ranging from 4-7 years, raises concerns about a nearing exit. That aside we have limited insights into how they are funded. In 2017 they faced an involunaty dissolution, revived in 2022.

Scorecard Summary

	Weight	Score	Dimension	Contribution
Financial	35%	7.4	Liquidity	<div></div>
			Leverage	<div></div>
			Profitability	<div></div>
Business	65%	5.6	Industry Risk	<div></div>
			Competitive Position	<div></div>
			Mgmt / Governance	<div></div>
			Sponsor / Parent	<div></div>
			Revenue Segment	<div></div>
Modifiers		-0.2	Trend Analysis	<div></div>
			Financial Flexibility	<div></div>
			Other Modifier	<div></div>
				<div></div>

Company Overview

Headquarters	Sterling Heights, MI	U.S.
Type	Private (PE)	
Employees	n/a	
Year Founded	2009	
Website	https://www.go2eventlink.com/	
Business	Events planning, marketing, and promotions organization	
Revenues	\$75.0M	

- **Company Overview:** Eventlink, LLC specializes in event management and coordination services, focusing on delivering professional and results-driven outcomes.
- **Product:** The company offers a wide range of services including a digital marketing platform (e.g. CRM system, lead management, analytics, optimization tool), online and in-person training seminars, digital sweepstakes for customers, hospitality & PR, website development, surveys, warehouse services / 3PL, etc
- **Customers:** Eventlink services a diverse customer base, potentially including educational institutions, sports organizations, and certainly corporate clients. Essentially, this has been derived from the vast variety of services and products provided by the entity.
- **Ownership:** Owned and controlled by Fort Point Capital since 2017. The PE firm may have been instrumental in the tenants recent history to acquire other companies.

Financial Ratio Benchmarking

# of Benchmarks:		14			
			Industry Median	Company Metric	Percentile Rank
Liquidity	Current Ratio	1.34	3.01	<div></div>	92%
	Quick Ratio	1.16	3.01	<div></div>	95%
Leverage	Net Debt / EBITDA	1.26	0.98	<div></div>	39%
	Debt to Assets	20.3%	22.7%	<div></div>	35%
Profitability	EBITDA Margin	8.3%	14.8%	<div></div>	86%
	ROCE %	6.1%	15.3%	<div></div>	77%
	Revenue	\$78M	\$75M		

- Liquidity and profitability ratios are significantly higher than industry peers, indicating strong short-term financial health, operational efficiency, and an efficient use of capital.
- Leverage ratios are genearily in line with peers.

Financial Statement Highlights

\$ '000s	Dec-21 T12	Dec-22 T12	Dec-23 T12	Chg
Income Statement				
Total Revenue	51,556	73,704	74,988	1.7%
Gross Profit	13,829	20,394	20,045	-1.7%
Adjusted EBITDA	6,530	9,792	11,086	13.2%
Gross Profit Margin	26.8%	27.7%	26.7%	(94) bps
EBITDA Margin	12.7%	13.3%	14.8%	+150 bps
Balance Sheet				
Cash And Cash Equivalents	6,472	3,133	675	-78.5%
Total Current Assets	13,330	21,890	26,006	18.8%
Total Assets	31,763	43,857	50,768	15.8%
Total Current Liabilities	4,935	15,645	8,629	-44.8%
Total Debt	9,606	9,855	11,522	16.9%
Total Equity	18,411	26,655	29,792	11.8%
Cash Flow				
Net Income	6,153	8,178	3,301	-59.6%
CAPEX	810	1,791	-	
Depreciation & Amortization	3,649	4,163	4,635	11.3%
Fixed Charge Coverage Ratio	1.38x	0.68x	2.40x	+1.7x

- Consistent revenue growth, increasing from \$51.6mn in FY-21 to \$75mn in FY-23.
- FCCR-volatility was driven by spike in Current portion of LT debt in FY-2022, which seemingly got renewed - otherwise, FCCR is very comforting.
- EBITDA Margin consistently widened over the past 3 years, yet net income decreased from \$8.2mn to \$3.3mn in FY-23, lowest since FY-21, raising concerns about overall profitability. Increase in leverage despite higher EBITDA driven by lower Cash.

Business Risk Highlights

- **Industry:** Event management is a dynamic industry, influenced by economic cycles, technological changes, and client preferences. CAGR-projections through 2030 for the industries the entity operates in range between 4-6%.
- **Competitive Position:** Eventlink, LLC's market position is not clearly defined, but its professional service approach suggests a competitive stance in the event management sector.
- **Management:** Lack of detailed information on management and governance practices makes it challenging to assess leadership effectiveness and strategic direction.
- **PE Sponsor:** Fort Point Capital, a PE-firm established in 2009, focuses on lower middle-market companies, investing up to \$50mn in equity. Their strategic growth approach and industry-specific expertise, particularly in service-centric businesses, indicate a robust investment and risk management capability.