

Canadian private equity firms partner with North American pioneer in mobile staging technology to expand its innovative offerings

DEAL FLASH | INDUSTRIAL MACHINERY & COMPONENTS, PRIVATE EQUITY | SEPTEMBER 2024

DEAL SNAPSHOT

The shareholders of **Stageline Mobile Stage Inc. (Stageline)**, the Canada-based pioneer in mobile staging technology, have completed a transaction involving private equity funds **BDG & Partners** and the **Fonds de solidarité FTQ**, along with members of management and the company's founder.

Founded over 35 years ago, Stageline designs, manufactures, distributes and rents high-quality, fully automated hydraulic and electric stages. It's known for its innovation, producing highly sophisticated equipment that incorporates mechanical and structural engineering, transportation, hydraulic and stage technology, all manufactured in Canada. Stageline's mobile stages, its main product, are used at more than 30,000 events a year. The company also offers screen trailers that can be used in various settings, such as at sports events, as well as mobile marketing solutions. Clients can rent or buy products, and choose Stageline for safety, installation speed, mobility and versatility.

BDG is a Canadian private equity firm that aims to create value by investing in businesses where its capital, strategic insight, global relationships and operational experience can contribute to further growth. Privately held, BDG was founded in partnership with a leading European private bank. This unique combination allows for entrepreneurial agility and the institutional depth of global capital and expertise.

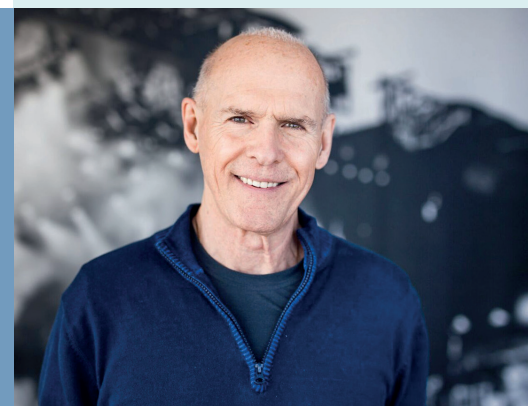
The Fonds de solidarité FTQ is the largest development capital investment network in Québec. By using workers' savings to support businesses in all regions and activity sectors as well as encouraging retirement savings, the Fonds has become a key stakeholder in Québec society.

“Given their work and success, we chose to work with Oaklins' Canadian team for the second time in five years. We thank them for their commitment and the quality of their work. The level of expertise and support that Oaklins provided to the entire Stageline team, and the rest of the professionals working on the file throughout the sale process, was key to the success of our transaction.”

YVAN MIRON
FOUNDER
STAGELINE
CANADA

OAKLINS PLAYED A MAJOR ROLE IN FINDING THE RIGHT INVESTOR

Oaklins' team in Canada acted as the sell-side M&A advisor to Stageline in this transaction. The company's shareholders, composed of both management and private equity, mandated Oaklins' Canadian team to run a competitive sale process to find a partner that will support the company's future growth while maintaining continuity.



M&A VALUATION ASPECTS

Financial details of the transaction remain undisclosed. However, since spring 2022, rising interest rates in North America have brought valuation multiples in the event equipment and rental sector close to historical levels. Key valuation drivers include:

1. Revenue diversification: Companies with diversified revenue streams, such as long-term rental agreements, equipment sales and value-added services, are more attractive and achieve higher valuations.
2. Fleet condition & utilization rate: The age, condition and technological sophistication of the rental fleet are crucial.
3. Geographic reach and market penetration: Broad geographic reach and strong market penetration reduce risk and enhance growth potential, boosting valuations.
4. Operational Efficiency: High operational efficiency, including efficiency enterprise resource planning (ERP) systems, is essential.
5. Sustainable EBITDA margins: Generating above-average EBITDA margins while maintaining excellent client service is critical.
6. Product innovations: Continuous innovation in product offerings, such as new stage designs, enhanced safety features and advanced technologies, differentiates companies and leads to higher valuations.

MARKET TRENDS & DEAL DRIVERS

M&A activity in the Canadian event equipment and rental sector remains robust despite economic uncertainties.

Major players are pursuing growth through targeted acquisitions, focusing on market presence, advanced technologies and service capabilities. Regional companies are scaling operations and enhancing competitiveness via acquisitions, while private equity firms and family offices recognize the sector's potential for returns and stability. This growth is driven by the resurgence of live events post-pandemic, the rise of hybrid and outdoor events, technological advancements, population growth, and significant public event and infrastructure investments.

“We are pleased to have successfully facilitated the sale of Stageline. Another successful transaction in the manufacturing and entertainment industry, enhancing our experience in the space and showcasing our capability in handling complex deals and our commitment to achieving favorable outcomes for our clients.”

SEBASTIEN NADEAU
MANAGING PARTNER, OAKLINS E. CANADA



TALK TO OUR ADVISORS



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OAKLINS HAS CLOSED 287 DEALS IN INDUSTRIAL MACHINERY & COMPONENTS AND 1454 IN PRIVATE EQUITY

United by a strong belief that we can achieve the extraordinary. Oaklins is a global team of 800+ financial advisory professionals in 40 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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