



PURSANT'S M&A ADVISORY PRACTICE HAS ADVANTAGES THAT ENABLE US TO GUIDE YOU THROUGH THE M&A PROCESS AS A TRUSTED STRATEGIC PARTNER AND DISCERNING INTERMEDIARY.

MERGER AND ACQUISITION ADVISORY

SELLER REPRESENTATION

RELENTLESS PURSUIT OF MERGER AND ACQUISITION TRANSACTIONS THAT CREATE MAXIMUM VALUE FOR OUR CLIENTS.

Sellers – What is your firm worth today? How can you increase its value? How do you bring the right Buyers to the deal table and maximize the value of your business when you exit?

M&A transactions can be mystifying and the uncertainties can paralyze even the most sure-footed business owner and firm.



PURSUING A SUCCESSFUL,
PROFITABLE TRANSACTION
IS A SCIENCE AND AN ART,
AND IT IS OUR SPECIALTY.

Our advantages enable us to successfully guide you through the M&A process as a trusted strategic partner and discerning intermediary:

1. An inside track on ideal strategic and financial Buyers
2. A history of successful transactions, oftentimes as business owners in your industry
3. M&A advisory expertise earned through years on both sides of the table
4. A sixth sense about the potential for alignment between a Seller and a Buyer
5. A personal, hands-on approach

WE PURSUE A COMPLETED TRANSACTION USING A THOROUGH, PROVEN PROCESS.

1 CONFIDENTIALITY

Without the involvement of a professional intermediary like Pursant, anonymity and confidentiality in the M&A arena is very difficult to attain. Buying and selling businesses involves dealing with sensitive information that, if released, might damage a company's financial health and market reputation. Everything Pursant does on behalf of clients is considered confidential. Confidentiality and Non-Disclosure Agreements are signed by all potential acquirers and related parties. We only disclose a client's identity and other details to transaction candidates with prior written approval. Informational Memorandums (IMs) and marketing documents do not mention names or locations and are not disseminated until we secure written client approval.

2 DEEP DIVE

We work to develop a deep understanding of your business model, people, culture, values and desired outcomes and truly internalize this knowledge. A critical component of a successful transaction is ensuring that the parties involved can work well together during the M&A process and after the deal closes. By investing the time necessary to really get to know your business, we are well prepared to bring compatible parties to the transaction process.

During this stage of the process, we also work with clients to explore their selling options and strategic and financial goals such as:

- The most appropriate types of acquirers (financial, strategic, hybrid)
- Valuation expectations and appraisal assistance
- Timing of sale and anticipated deal timeline
- Deal structure options and tax consequences
- Seller's desired level and duration of post-sale involvement

3 TEAM ASSEMBLY

In this stage, we finalize the advisory team that will manage the project across the lifecycle of the transaction in an organized and efficient manner. An executive lead with first-hand experience in your industry and/or in adjacent industries will be paired with a Pursant Associate and Analyst with the required specialized skills.

4 BUSINESS VALUATION

A business is worth what the market is willing to pay. Since we see many deals through the eyes of both Buyers and Sellers, we can help you best position your company for a profitable transaction. First, we assess the market. With our deep industry insight and access to deal databases, we can provide feedback and data on current industry multiples and valuation methods. Next, we assess the probable value of your company. We analyze your past, current and future trending financial position. We assess your management team, assets, liabilities, profitability, cash flow, customer portfolio, sales pipeline and more to determine strengths and weaknesses. We then work together to address any apparent weaknesses. It's important that our clients enter the sale process with a business that has been properly prepared for sale and has maximum curb appeal.

5 TRANSACTION STRATEGY & PACKAGING

When acquirers evaluate a business opportunity, any apparent flaws will have an impact on their assessment of its value, their confidence in the business and willingness to proceed with a transaction. Pursant works with clients to package your business for maximum “curb appeal.”

A Seller’s brand recognition, market reputation, market niche, customer relationships, operational and production systems, management, personnel, distribution channels and many other elements all tell a story. Pursant is expert at articulating that story in a way that frames the potential acquisition in the most positive light, educates potential Buyers and compels them to act. We use insight gained through our Deep Dive to emphasize your company’s strengths and defend its future earnings potential.

Proper interpretation and presentation of financial information is a crucial part of the packaging of a business for sale. We work with your accounting partners to help “re-cast” earnings with a new audience in mind: Buyers. We uncover numerous potential adjustments—all well within the scope of GAAP standards—that more clearly illustrate the current and future earnings of the business.

6 BUYER POOL DEVELOPMENT

To develop an initial pool of the most appropriate strategic and financial acquirers, we first leverage our firm’s broad network of executives, influencers and connectors, and conduct industry and market research to identify potential acquiring companies that may be in alignment with our strategy. We also license proprietary industry databases that help us pinpoint companies that may offer the most synergistic fit for a specific opportunity.

Upon receiving a client’s approval of the list of prospective Buyers, we confidentially approach potential acquirers in order to gauge interest and qualify them. Many potential Buyers expressing interest are not qualified Buyers. They are often not financially prepared to acquire and/or may be interested in gathering industry intelligence rather than being sincerely interested in making an acquisition. Our assessment process includes evaluating the interest, financial capabilities and risk of each party. We then narrow down the field to the very best potential acquirers to secure indications of valuation and interest.

7 PRESENTATION TO POTENTIAL BUYERS

Written presentation of your business to the potential Buyer pool is accomplished through the use of two documents. The Teaser is a blind profile containing snapshots of a business, allowing potential Buyers to initially assess fit with their acquisition strategies. The Teaser typically contains information about the industry, a blind overview of the company, high-level historical and projected earnings, investment considerations and other information compelling potential acquirers to consider the acquisition opportunity. No company name or customer names are disclosed in this document.

Once a potential acquirer has been vetted for fit and we have confidence in the financial means to close the transaction, an Informational Memorandum (IM) or “book” is provided to the potential Buyer. Pursant uses this medium to thoroughly and professionally present your company, telling and *selling* the story of the present and future value of your business.

8 TRANSACTION NEGOTIATION AND STRUCTURE

In negotiations, being anxious or making emotional decisions often can lead to a poor outcome. Dealing with a professional intermediary like Pursant removes those risks and increases the chance of closing a deal that is priced and structured right.

A key part of the negotiation process is transaction structure. Pursant helps clients work through structural considerations beyond total purchase price, including: stock sale or asset sale; up-front cash; earn-outs; interest-bearing notes and associated terms; assumed assets and liabilities; Seller's employment contracts or consulting agreements; non-competes; stock ownership. Collectively, the purchase price and transaction structure are the true measure of success for our client.

Along with legal counsel of your choice or Pursant's recommendation, Pursant will review and negotiate initial indications of interest (IOI) to determine Buyer and Seller expectation alignment and then negotiate formal letters of intent (LOI) outlining the terms of the transaction.

Pursant will actively manage the negotiation process, but the final decision always belongs to our clients.

9 DUE DILIGENCE

We coordinate the due diligence process to help your company determine the best course of action. This step is critical because financial and operational representations are made during the sale process. Buyers rely upon these representations when measuring risk, estimating earnings and assessing the potential worth of a firm. If these representations are not adequately and clearly substantiated during due diligence, the transaction could be jeopardized.

To execute due diligence, we liaise with legal and accounting parties of your choice or you can work with our preferred partners. As a team, we conduct a detailed analysis of the potential synergies and financial impact of a transaction with each contender and investigate any potential legal or regulatory concerns. Our advance counseling of clients and thorough vetting of Buyers maximizes the probability that the due diligence stage will be managed successfully.

10 DEAL CYCLE DOCUMENTATION & CLOSE

With legal counsel of your choice or Pursant's recommendation, Pursant will review definitive agreements for execution. Our involvement in this phase keeps the legal process moving efficiently, often saving our clients thousands of dollars in unnecessary professional fees. Successfully navigating the due diligence and documentation phase is often the most challenging period in transactions of this nature—many deals get derailed at this point. Pursant's thorough but efficient guidance during this phase can help our clients achieve a successful close.

11 TRANSITION & INTEGRATION

Bringing two cultures together can be very challenging, but is vital to the ongoing success of the acquired business. Pursant ensures that all parties have clarity on how to navigate this process.

We advise executive teams and business units on transition and integration matters, including transfer of customer and employee relationships. We help craft a plan to effect smooth operations after the transaction is complete.

Pursant

INSPIRED PURSUIT

Pursant helps business owners grow the value of their companies and maximize that value when they exit.

Through our Executive Search, Investment Banking, and Strategic Advisory business units, we recruit talent, manage M&A initiatives, raise capital and pursue business optimization strategies—vital, integrative initiatives for which you may not have the time, manpower or competencies. The depth of our approach sets us apart. We immerse ourselves in your business and leverage our industry intelligence, deep network and experience as business owners and operators to meaningfully impact the trajectory of your business.”

