



What Attracts Buyers

What Drives Acquisition Interest
from Buyers in the GovCon Sector



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About Us: Today's Presenters



Richard Phillips, CEO, [Crossroads Capital](#), LLC

Richard Phillips serves as CEO of Crossroads Capital and leads a team of experienced financial analysts, research assistants and directors bringing the organization's tailored solutions to middle market companies.

He is a seasoned dealmaker and accomplished financial analyst with over 20 years of corporate finance, consulting, and investment banking experience. During his career, he has completed over 28 M&A and other strategic transactions valued at over \$6.3 billion, across several industry sectors and geographic regions. Richard focuses in particular on Technology, IT Services, Lifesciences, GovCon, and Defense sectors.

Richard received his MS in Applied Economics from Johns Hopkins University and his BA from Lafayette College. He is a registered Representative of Oberon Securities where he serves as a Managing Director and heads the Washington, DC office. He currently holds Series 7, 63, 79, & 82 FINRA licenses.



June Marshall, CEO, [Repperio](#)

June Marshall is a serial intra/entrepreneur and serves as the founder and CEO of Repperio.

She has 25 years experience in cross-functional operations, market research, sales and strategy in multiple industries and across high growth startups to Fortune 500. Since 1993, she has been a data-driven products/systems developer and business process optimizer in the financial services, emerging technology, international logistics, supply chain, CPG, commercial real estate, construction and wireless industries.

Agenda: Topics For Today

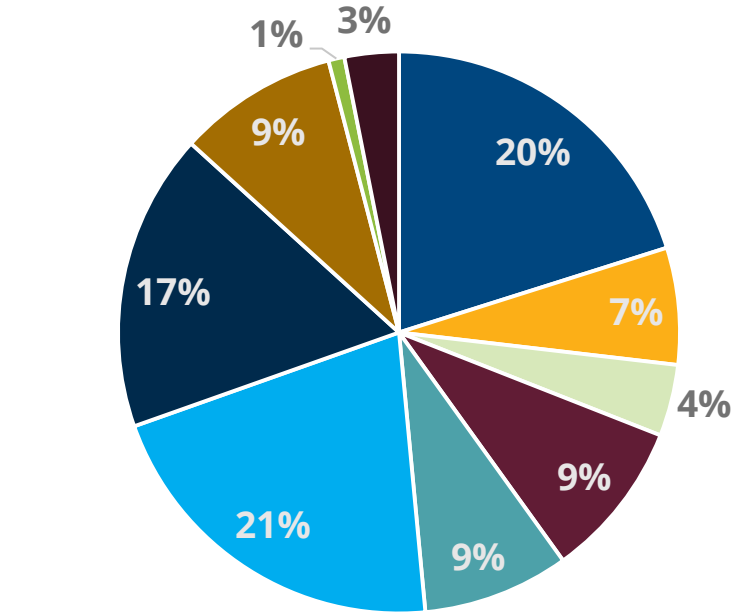
1. High-Level M&A Overview
2. Understanding the Buy-Side Process – Thinking Like a Buyer
3. What Buyers Want
 - I. In-Depth Analysis of 2017 M&A Data
 - II. Transaction Examples
4. Conclusion & Implications for Prospective Sellers

1. The Current M&A Environment

Analysis of Recent Market Data

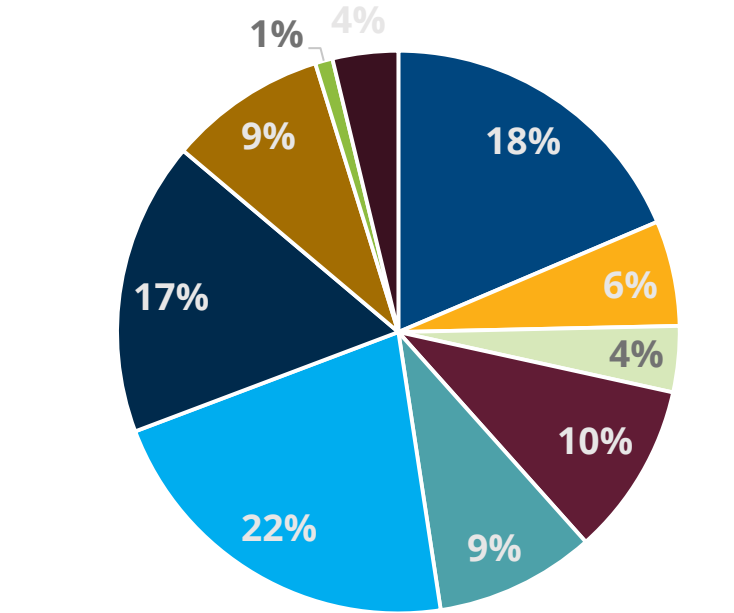
M&A Value: All Sectors Global

Q1 2017 Transaction Activity By Deal Count



- Consumer Discretionary
- Consumer Staples
- Energy
- Financials
- Healthcare
- Industrials
- Information Technology
- Materials
- Telecommunications
- Utilities

Q1 2018 Transaction Activity By Deal Count

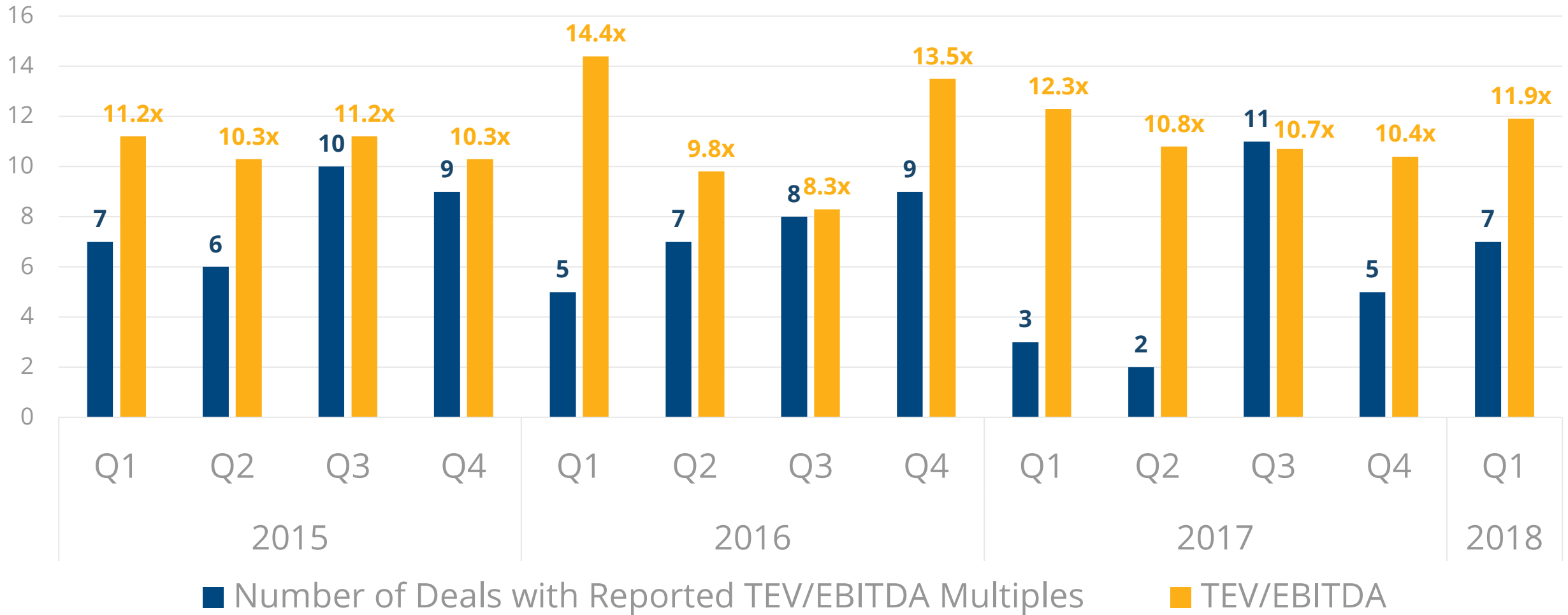


- Consumer Discretionary
- Consumer Staples
- Energy
- Financials
- Healthcare
- Industrials
- Information Technology
- Materials
- Telecommunications
- Utilities

Source: S&P Capital IQ

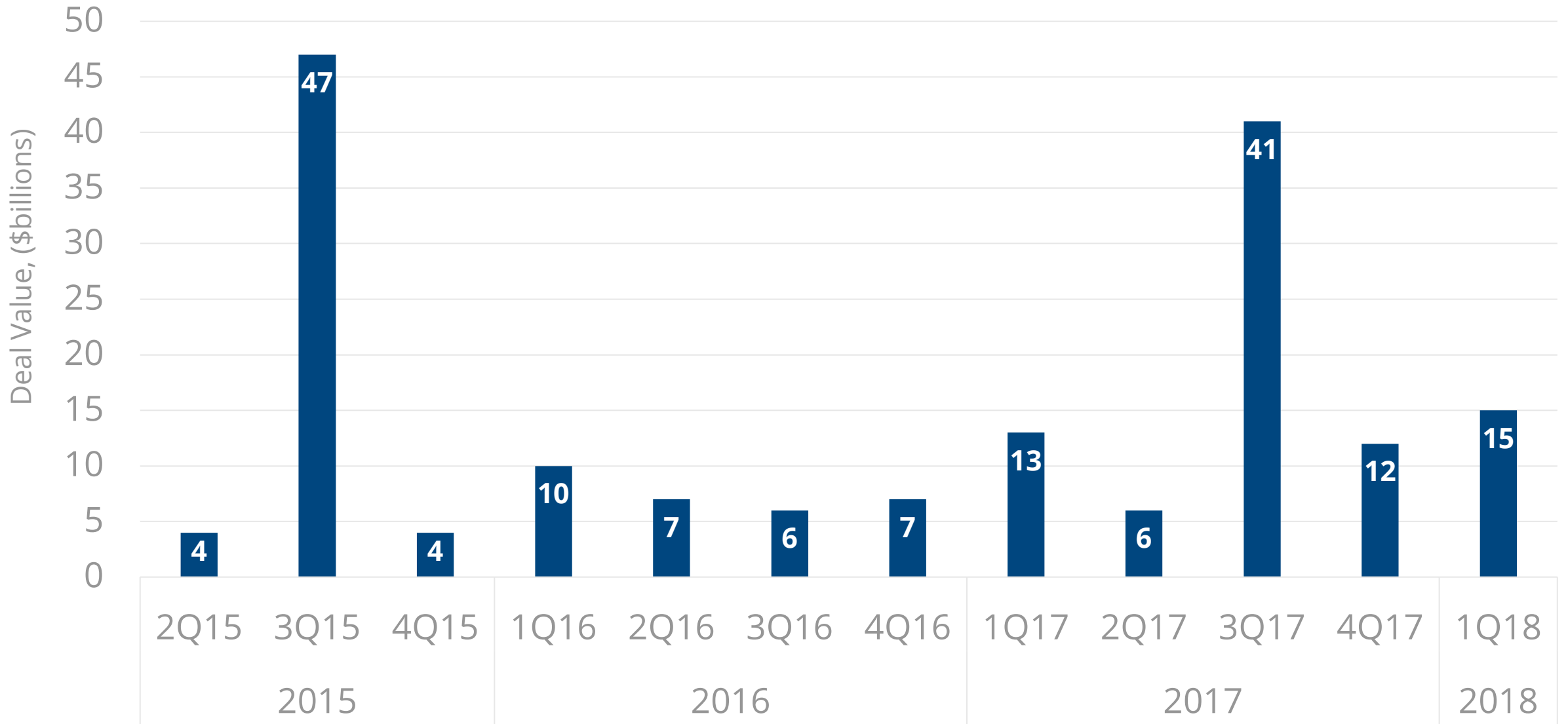
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M&A Value: Aerospace, Defense & Government Services



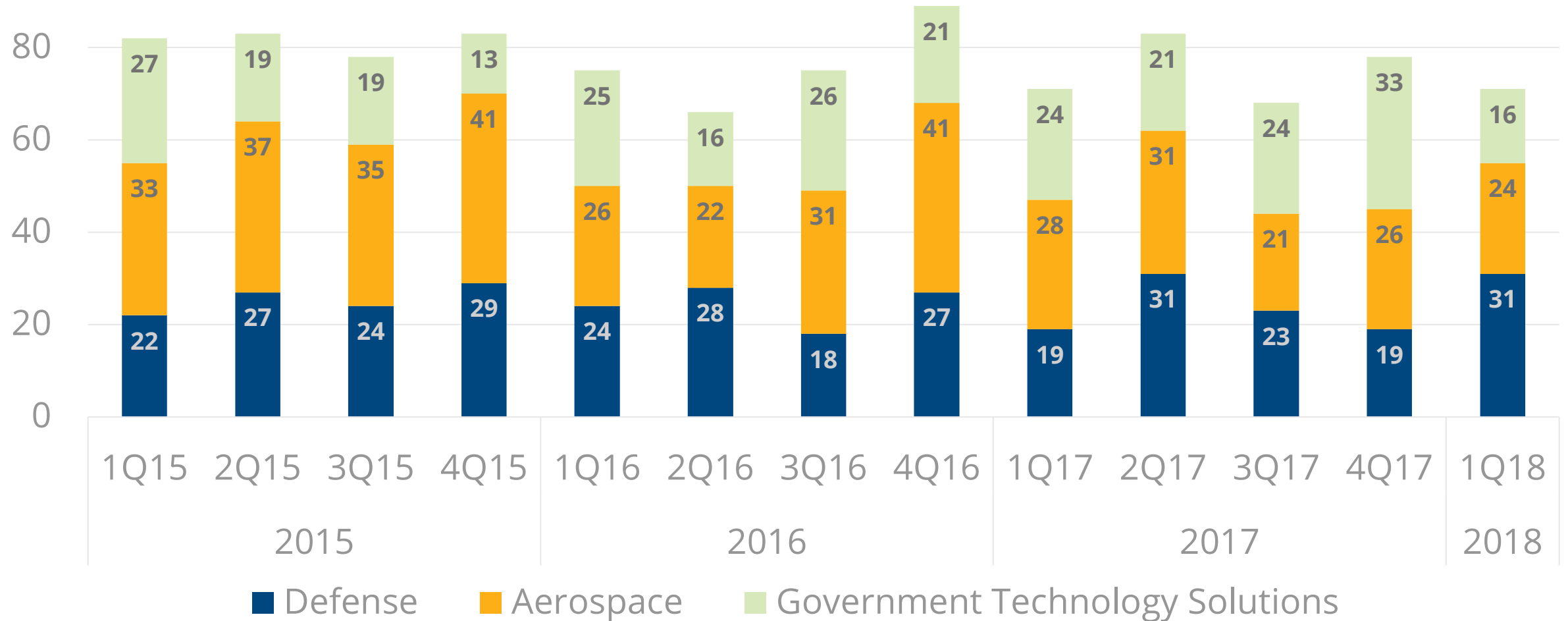
Source: S&P Capital IQ, Dacis, company reports, and press releases.

Global M&A Value: Aerospace, Defense & Government Services











Source: Thomson Reuters and other publicly available sources

M&A Volume: Aerospace, Defense & Government Services



Source: S&P Capital IQ, company reports, and press releases.

Select Recent Transactions: Defense, Aerospace, and Government Services













Date	Target	Buyer	Value	Deal Terms	Press Release	Rationale
8/28/17	 REDOWL	 FORCEPOINT	Non- Disclosed	Non- Disclosed	Press Release	Provides Forcepoint customers w. RedOwl's analytics program
9/4/17	<i>Rockwell Collins</i>	 United Technologies	\$30B	\$14 per share in Cash and UTC Stock	Press Release	Creates a premier aerospace systems supplier
9/18/17	 InfoZen	ManTech	\$180M	Cash	Press Release	Enhances ManTech's capabilities in IT modernization
9/18/17	<i>Orbital ATK</i>	<i>NORTHROP GRUMMAN</i>	\$9.2B	\$7.8B Cash \$1.4B Debt	Press Release	Complementary portfolios and tech-focus cultures
10/17/17	 PRAXIS ENGINEERING	CSRA	\$235M	Cash	Press Release	Extends CSRA's offerings in intelligence community
10/23/17	 PRIMESCAPE SOLUTIONS	 HighPoint	Non- Disclosed	Non- Disclosed	Press Release	Creates a larger company to support all points—of-contact w/ citizens
12/7/17	 GAP	system one	Non- Disclosed	Non- Disclosed	Press Release	Expands System One's federal civilian and defense offerings

Select Recent Transactions: Defense, Aerospace, and Government Services




Date	Target	Buyer	Value	Deal Terms	Press Release	Rationale
12/12/17	 secure.performance		Non- Disclosed	Non- Disclosed	Press Release	Significantly expands Xator's Cyber Security and Network Operations portfolio
12/14/17	 BE HEARD.™		Non- Disclosed	Non- Disclosed	Press Release	Expand Chenega's digital transformation, innovation, and user-centered design capabilities
12/18/17	 global operations		Non- Disclosed	Non- Disclosed	Press Release	Collaboration with other DC Capital portfolio companies to expand capabilities
1/31/18			\$775M	Cash	Press Release	Increase On Assignment's IT capabilities and federal market presence
2/7/18			Non- Disclosed	Non- Disclosed	Press Release	Broadens Fulcrum's client portfolio and build up intelligence biz
2/12/18			\$9.6B	\$6.7B Cash; \$2.8B Debt	Press Release	Creates a combined IT platforms provider in government IT sector

Source: S&P Capital IQ, Mergr, company reports, and press releases.






Select Recent Transactions: Defense, Aerospace, and Government Services

Date	Target	Buyer	Value	Deal Terms	Press Release	Rationale
2/1/18			\$278M	Non-Disclosed	Press Release	Expands position in A&D markets, aligned with growth strategy, broadens instrumentation platform
2/15/18	 US Public Sector Business		Non-Disclosed	Non-Disclosed	Press Release	Veritas will leverage its government experience and explore new business opportunities
2/16/18			Non-Disclosed	Non-Disclosed	Press Release	Supports efforts to expand IAI's space systems, geospatial intelligence, and missile defense capabilities
2/21/18	 A Siemens Business		\$212.5M	Cash	Press Release	Expands shipset content and increases footprint on new US Navy Nuclear vessels
2/23/18			Non-Disclosed	Non-Disclosed	Press Release	Grows C4ISR tech offerings and expands Cubic operations in public safety, adjacent markets
2/12/18			Non-Disclosed	Non-Disclosed	Press Release	Acquired for outstanding reputation among IC and DoD, aligns with Acacia tech focus. To be split into two companies

Select Recent Transactions: Defense, Aerospace, and Government Services

Date	Target	Buyer	Value	Deal Terms	Press Release	Rationale
2/25/18	 STINGER GHAFFARIAN TECHNOLOGIES		Non- Disclosed	Non- Disclosed	Press Release	Broadens presence in human space exploration sector, increases offerings for NASA, others
3/20/18			\$525M	Cash & Borrowings	Press Release	Extant's biz model fits well w/TDG's proprietary & aftermarket focused strategy
4/5/18			Non- Disclosed	Non- Disclosed	Press Release	Aligns w/strategy to invest in successful businesses to transition to institutional ownership
4/12/18			Non- Disclosed	Non- Disclosed	Press Release	Expands contract and customer base, adds technical capabilities
4/17/18			Non- Disclosed	Non- Disclosed	Press Release	Builds Polaris' offering by adding expertise and experience in quick reaction cyber platforms
4/20/18	 CUBIC™ Global Defense Services (GCD)		\$135M	Cash	Press Release	Broadens Valiant's technical platforms and service offering in training/readiness

Select Recent Transactions: Defense, Aerospace, and Government Services

Date	Target	Buyer	Value	Deal Terms	Press Release	Rationale
4/24/18	 SRI Strategic Resources, Inc. <small>An International Company - ISO 9001:2008 Certified CMMI Level 3 Rated</small>		Non- Disclosed	Non- Disclosed	Press Release	Adds portfolio of telecom assets to complement communication offerings
5/2/18	 L3 Vertex Aerospace Crestview Aerospace TCS		\$540M	Cash	Press Release	L3 aims to optimize portfolio and use proceeds from sale to fund growth initiatives
5/22/18	 POLARIS — ALPHA —		Non- Disclosed	Non- Disclosed	Press Release	Transformative move to take Parsons tech solutions to a new level with fed. customers needing advanced solutions
5/30/18	 LINQUEST CORPORATION		Non- Disclosed	Non- Disclosed	Press Release	PE acquisition helps LinQuest broaden R&D capabilities, improve client offerings & BD efforts

2. Thinking Like a Buyer

Understanding the Buy-Side M&A Process

Strategic M&A: The Buy-Side Process



The step-by-step timeline of a strategic buy-side campaign is typically between 6 -18 months.

Using the Adjacency Map To Find Unique *and* Qualified M&A Targets

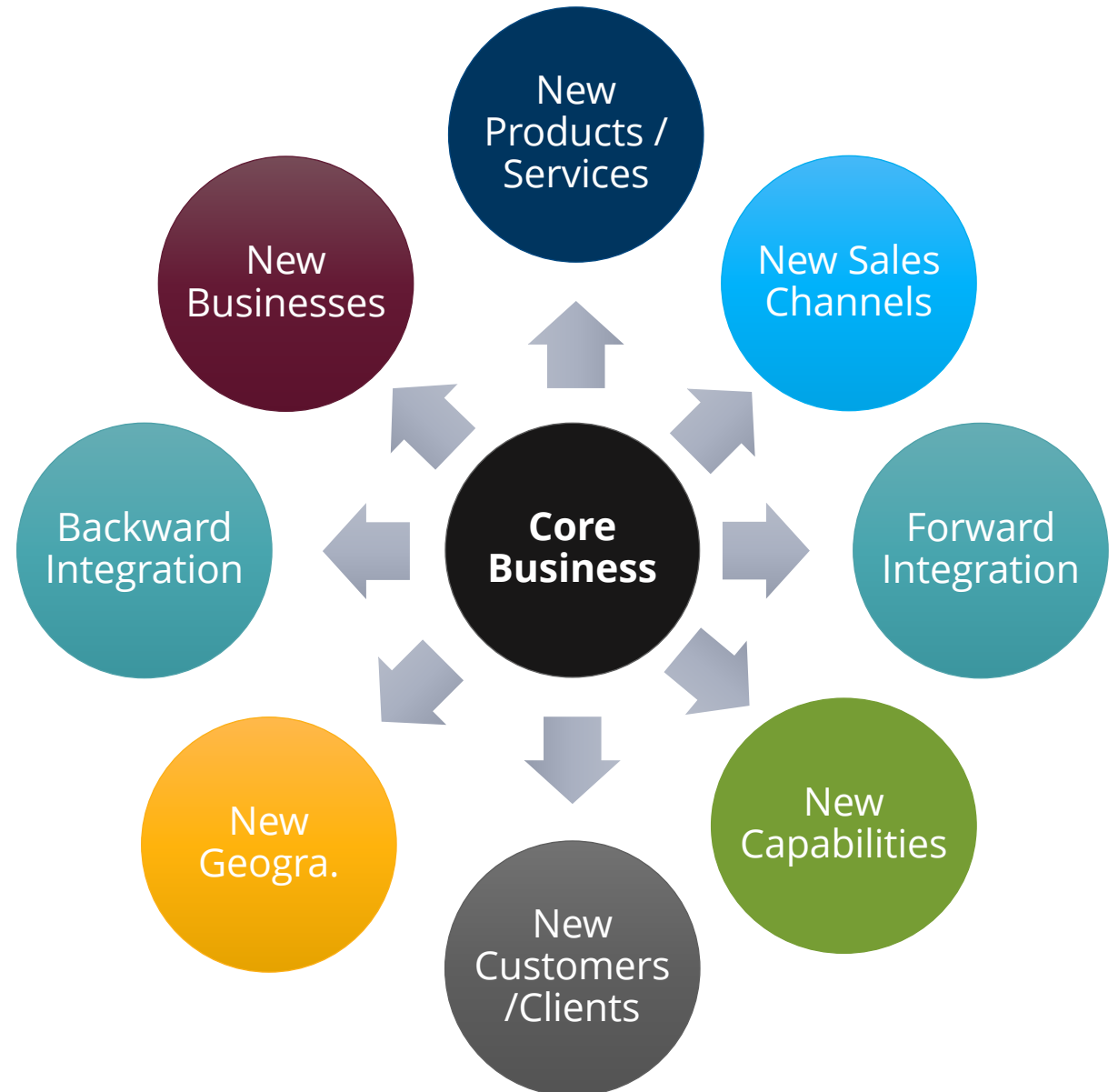


A strategic buyer is looking for an acquisition target that will make a long-term impact on their business.

Depending on their strategy, at any point in time, some companies may wish to enter new geographies, some may want to obtain particular technical capabilities, some may desire to be closer to their suppliers, while others may wish to be closer to their customers.

The Adjacency Map asks two key strategic questions:

1. Which directions to pursue?
2. How far to go in each direction?



Buy-Side M&A Step 2: What Does The Ideal Target Look Like?



Your “ideal” acquisition



Think about the perfect acquisition target for your company at the current moment.

What does this company look like? Why do you like it?

What strategic value do you obtain from the transaction?

Buyers know what an ideal acquisition candidate looks like. In many cases, they are looking for such companies on an on-going basis even when not running a specific buy-side campaign.

Step 2: Build Target Profile (Hypothetical Example)

Criteria Points & Metrics	Minimum Acceptable Value	Ideal Value	Maximum Acceptable Value	Importance
Target Revenue	\$5 million	\$7.5 million	\$10 million	LOW / MEDIUM / HIGH
Target EBITDA Margin	7.5%	10%	Higher is better	LOW / MEDIUM / HIGH
Employee Count	20	50	75	LOW / MEDIUM / HIGH
Full & Open Revenue	40%	25%	Higher the better	LOW / MEDIUM / HIGH
Markets Verticals (Cybersecurity, Cloud Services, Communications)	1 out of 3;	3 out of 3;	2 out of 3 markets; Max 2 other related markets	LOW / MEDIUM / HIGH
Customers Served (MDA, DISA, NSA, DHS, other military or intelligence)	At least one defense or DHS customer	Defense, military, intelligence, DHS	Must avoid state or local customers	LOW / MEDIUM / HIGH
Capabilities (End-Point Security, Engineering Services, Virtualization, Networking, SATCOM)	Must have X capability	Must have X, Y, and Z capabilities	Must have X, Y, or Z capability, must NOT have A or B capability	LOW / MEDIUM / HIGH
Re-Compete Rates	70%	80%+	Higher is better	LOW / MEDIUM / HIGH
Agency / Contract Concentration	1 agency	3 agencies	5 agencies	LOW / MEDIUM / HIGH
Billing Rate	At least \$30 / hour	\$100+ / hour	\$150 / hour	LOW / MEDIUM / HIGH

Actual Buyer Criteria: Real World Criteria with Names Redacted

Buyer Description	Acquisition Revenue	EBITDA Margin	Capabilities	Contract Vehicles	Customers	Other Considerations
Type: <i>Strategic</i> Ownership: <i>Private</i> Employees: ~430 Revenue: ~\$100M	Not Specified	Not Specified	Cyber, network security, enterprise architecture, systems engineering, design engineering, logistics planning, cost engineering, IV&V, advanced data analytics	OASIS, DHS EAGLE II, CIO-SP3	Navy, Air Force, Army, Defense, Missile Defense, Homeland Security, Intelligence, Space, Energy	Looking to acquire key competitors or complementary markets/capabilities; Strong management team conveys; no ESOPs, set-asides not more than 20% of revenue;
Type: <i>Strategic</i> Employees: ~850 Revenue: ~\$500M	\$5 – 20M	4%+	IT, intelligence, logistics, cybersecurity, foreign military sales, engineering, program management, contractor field services, communications/public affairs	Prime Contractor Preferred	Navy, Army, Air Force, Marine Corps, DoD, DHS, VA, Intelligence	Strong leadership that will stay post-acquisition
Type: <i>Financial (PE)</i> Dry Powder: ~\$75M	\$15 – 100M	Up to 10%	Cyber, data analytics, defense/homeland security, defense electronics, products & integration, IT/professional services, logistics, operations & maintenance services, simulation training, software development, sustainment & readiness, systems engineering	None Identified	DoD, Intelligence, DHS, DHHS, DOJ, State Department	No additional considerations identified
Type: <i>Strategic</i> Ownership: <i>Public</i> Revenue: >\$1B	>\$30M	>7.0%	Professional services (engineering, logistics, etc.), IT services	None specified	DoD, Intelligence, Federal Civilian w/ emphasis on Health & Intelligence	Generally seeking high growth markets, such as cyber, intelligence, and health

Live Example: ManTech's Strategy and Criteria

"We have a policy of, 'We will not buy sales.' It has to bring new technology, new customers, new people and it has to be accretive — we are not simply out there to raise the sales numbers." — George Pedersen, ManTech Founder & Executive Chairman, February 2016, Earnings Call

"A key example is in 1980, when we were primarily a Navy contractor and really tried to penetrate the intelligence community. When you don't have a contract, you can't get the clearance. When you can't get the clearance, you can't have a contract. We penetrated that by buying a small operation from Raytheon — their systems surveillance operation. That gave us 57 employees and the necessary security clearance." — George Pedersen, ManTech Founder & Executive Chairman, October 2005, Interview with AFCE / Signal Magazine

"Pedersen pioneered what it means to be a modern government contractor...he helped create this industry and marketplace." — Washington Technology, December 2017

The Corporate Dashboard: An Objective Tool for Selecting, Evaluating, “Diligencing” Targets

Markets & Strategy

- Past Performance
- Sole Source Provider
- Mission Critical Services
- Prime vs Sub

Contracts & Biz Dev

- % 8(a) Revenue
- Funded Backlog
- Re-compete Timing
- IDIQ & Contract Pipeline

Operations & Facilities

- SCIF On-Site
- Access to DoD Facilities
- Proposal Process
- Project Management

HR & Staff

- Turnover & Retention
- % Cleared Personnel
- Advanced Degrees
- Military Experience

Accounting

- Audited Financials
- Accounting Controls
- Balance Sheet
- Quality of Earnings

Corporate & Legal

- Intellectual Property
- Pending Litigation
- Regulatory Exposure
- Corporate Governance

■ Acceptable

■ Problematic

■ Critical

Value Drivers: How to Buyers Assign Value Based on Desired Characteristics

3.0x – 5.0x



Lower Valuation

- One or two capabilities
- Small business set-aside work
- Mostly subcontract positions
- 8(a) set-asides
- Limited corporate infrastructure
- Few cleared employees
- Focused on civilian agencies



Most small businesses
in the sector

5.0x – 7.0x



Moderate Valuation

- Multiple capabilities
- Significant prime positions
- Attractive waterfall & pipeline
- Some cleared work
- Attractive agencies & services
- Greater visibility into funded backlog
- Higher growth and margins

7.0x+



Premium Valuation

- Comprehensive capabilities
- Full-and-Open contracts
- Large prime awards
- Long-term unrestricted awards
- Mission critical capabilities
- TS/SCI cleared work
- Margins and growth > 10%



Larger IT Service
Integrators

3. Characteristics Most Attractive to Buyers

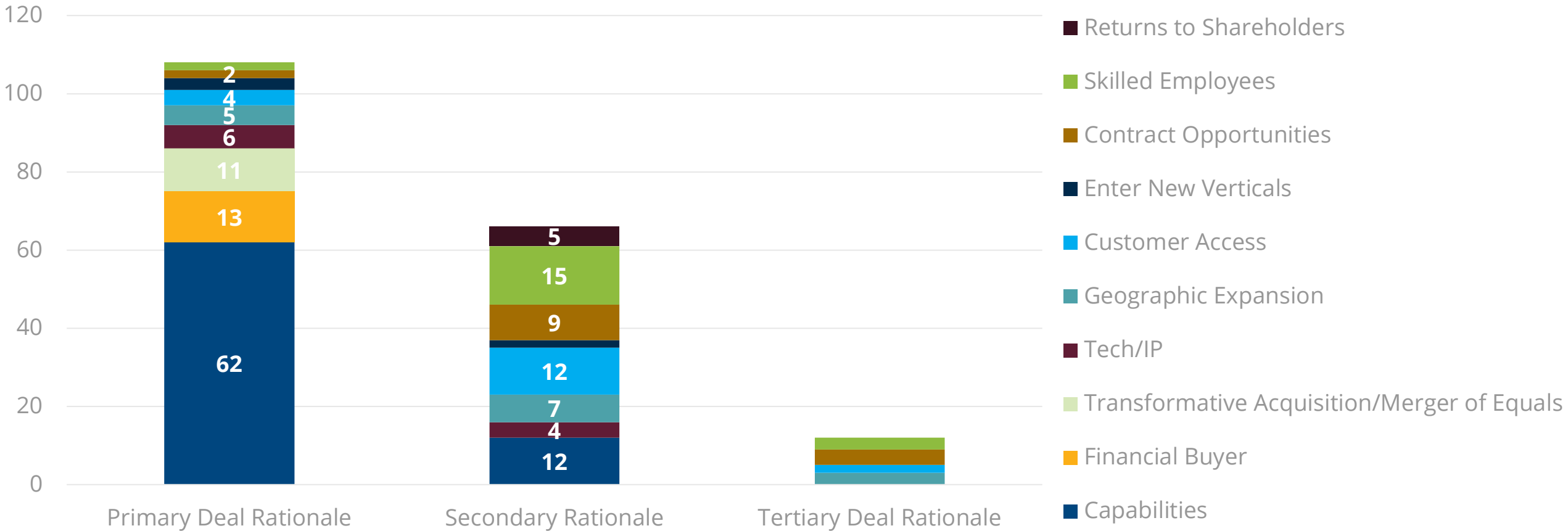
What Are They and How Are They Measured?

What Buyer Are Buyers Looking for? — Key Factors to Consider

1. Deal Rationales
2. Services & Capabilities
3. Company Focus: The GovCon/Commercial Spectrum
4. Company Size
5. Small Business Set-Asides
6. NAICS & Hyper-Specializations
7. Agencies Served
8. Geographies

Deal Rationales: Capabilities Dominate Other Motivations

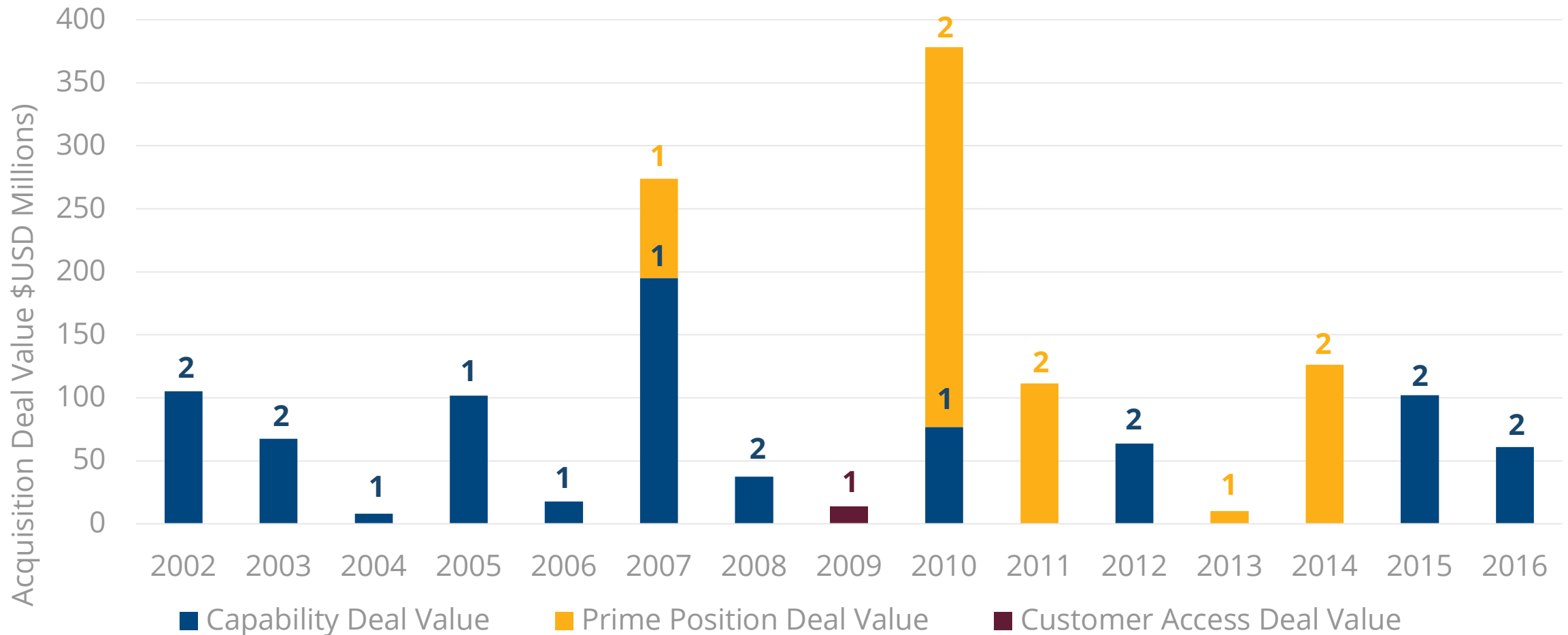
2017 M&A Transactions By Deal Rationale in Sector



Source: Crossroads Capital, public records

Strategic buyers are primarily focused on adding capabilities and technologies through M&A.

Deal Rationale Example: ManTech's Post-IPO History

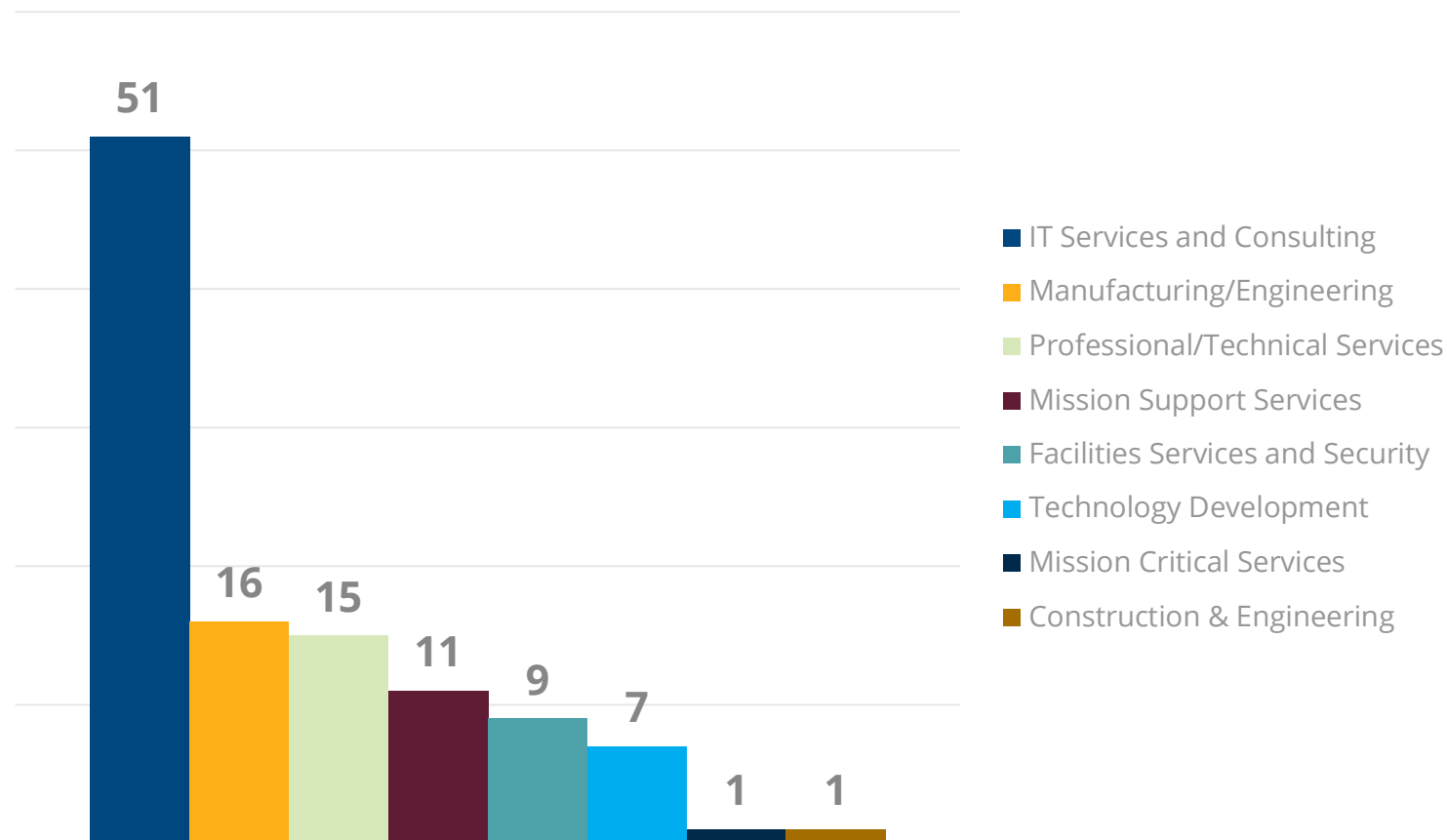


Source: ManTech's SEC Filings, compiled by Crossroads Capital

Majority of ManTech's deals have focused on adding capabilities as their primary deal rationale.

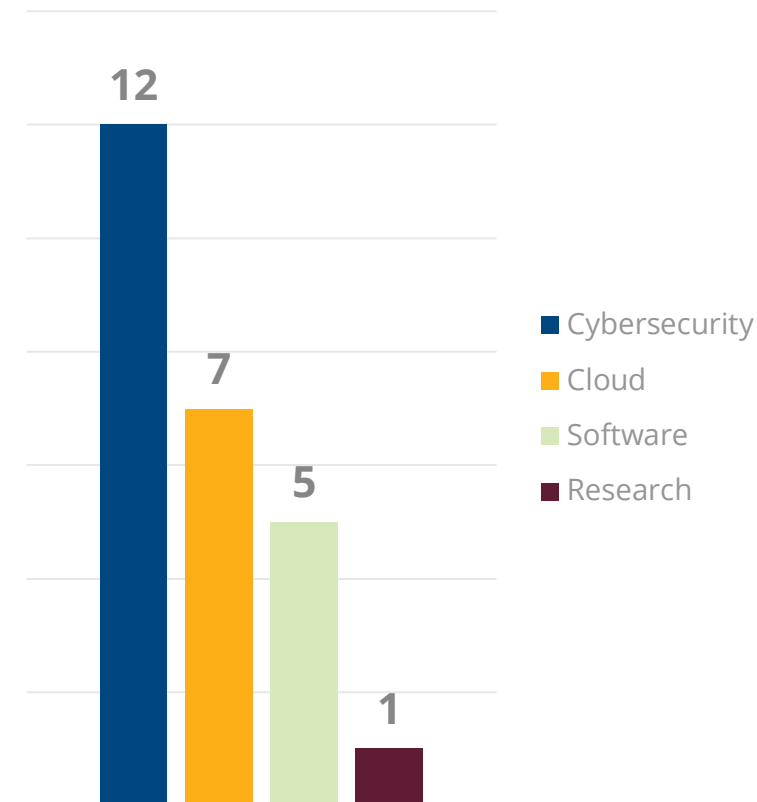
Capabilities, Products, and Services: 2017 M&A Transaction Data

Number of Sellers in 2017 by Primary Products / Services



Source: Crossroads Capital, [Repperio](#)

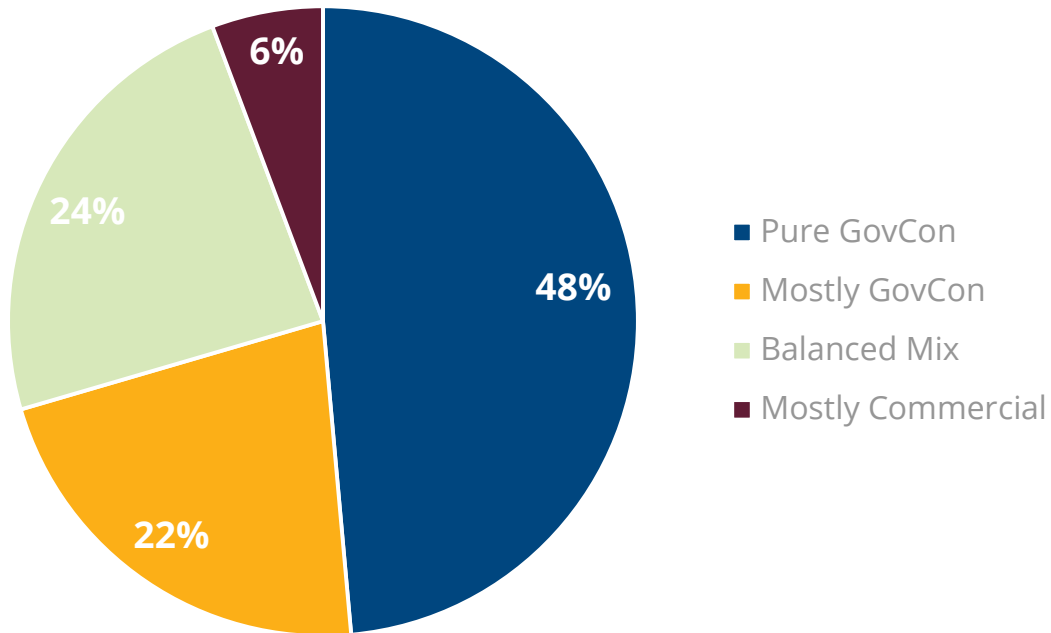
Number of Sellers in 2017 with Key Specialties



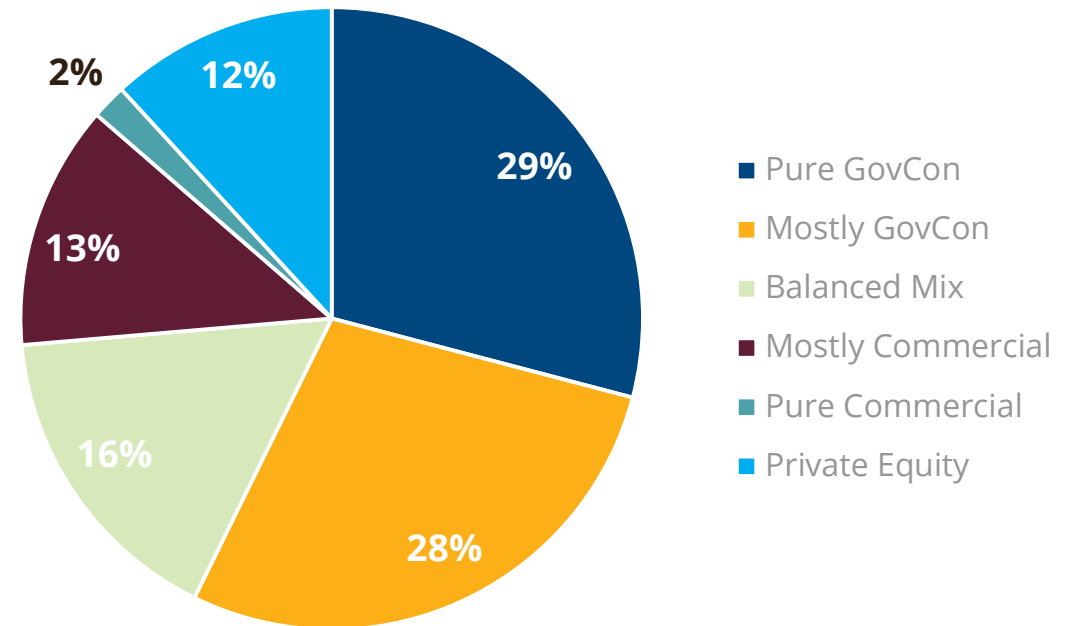
IT Services, in particular, cybersecurity and cloud, remain key areas of interest for buyers.

Market Focus: What Type of Companies Are Engaging in M&A in the Sector

Types of Sellers Active in 2017



Type of Buyers Active in 2017



Source: Crossroads Capital, [Repperio](#), Company Websites

There is significant M&A activity from companies outside of the pure-play sector.

Market Focus: Who Is Buying Whom?

2017 M&A GovCon Transactions
by Counterparty Type*

2017 M&A GovCon Transactions by Counterparty Type*		Buyers					
		Private Equity	Pure GovCon	Mostly GovCon	Balanced Split	Mostly Commercial	Pure Commercial
Sellers	Pure GovCon	4	22	16	7	1	1
	Mostly GovCon	4	6	6	2	4	1
	Balanced Split	5	2	4	4	9	0
	Mostly Commercial	0	0	3	3	0	0
	Pure Commercial	0	2	2	2	0	0

*Excludes transactions where both the buyer and seller were both classified as "Mostly Commercial" or "Pure Commercial." Commercial-market PE activity is also not included for the purposes of this analysis

Source: Crossroads Capital, [Repperio](#)

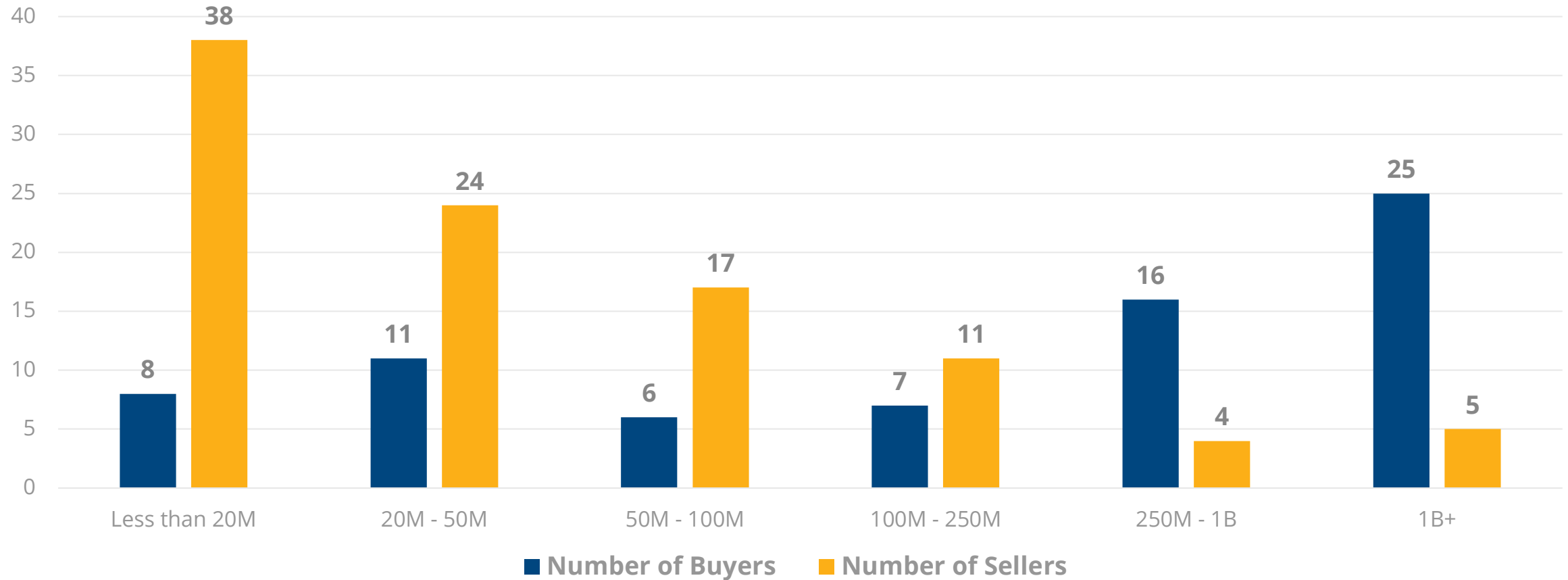
In 2017 there were several instances of non-primarily GovCon-focused companies engaging in significant transactions in the sector.

Market Focus: Who Is Buying Who?

Date	Target	Buyer	Press Release	Rationale
3/16/17	 Pure GovCon	NXTKey Corporation Mostly Commercial	Press Release	Enter New Verticals — First of many strategic acquisitions for NXTKey in cyber, enterprise information management, health IT, digital and ICT consulting
8/31/17	 50/50	JACOBS ® Mostly Commercial	Press Release	Capabilities — part of ongoing digital solutions, cybersecurity and application development investments for Jacobs Connected Enterprise (JCE) solutions
12/7/17	 Pure GovCon	system one Pure Commercial	Press Release	Customer Access — significantly broadens System One's reach in the federal market and creates opportunities for continued growth

Company Revenue Size: Buyers & Sellers

2017 M&A Transaction Parties in GovCon

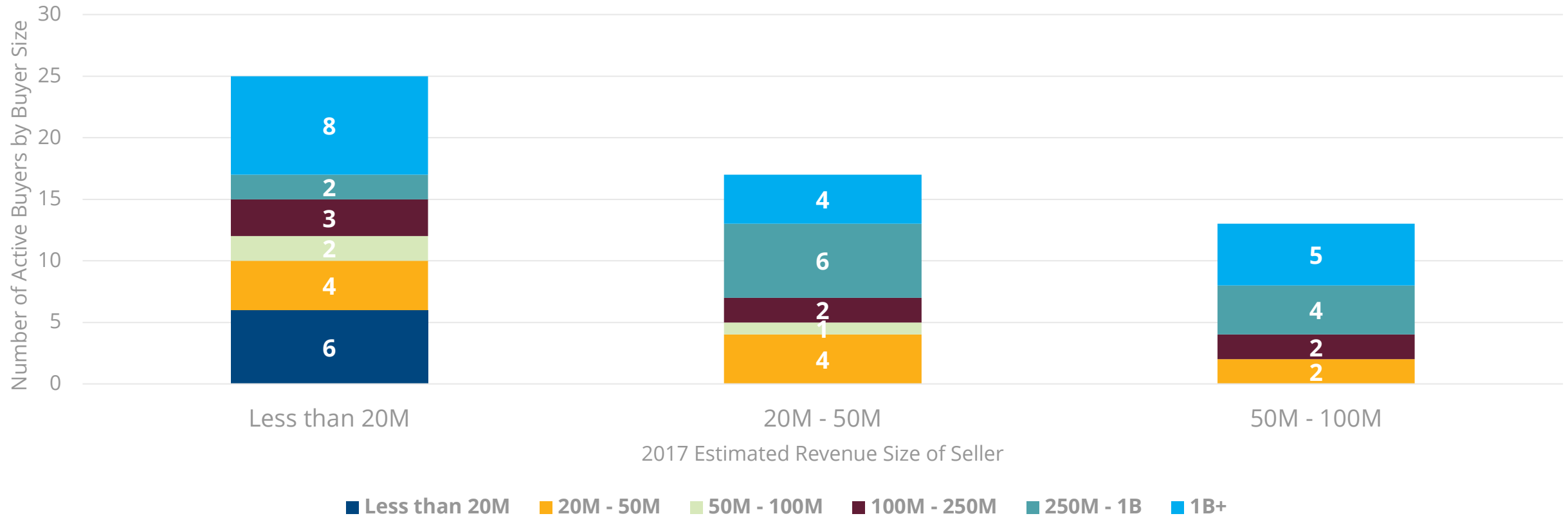


Source: [Repperio](#), S&P Capital IQ, Crossroads Capital

In 2017, transactions included both small players and the large publicly traded companies.

Company Revenue Size: How Much Does It Matter in a Transaction?







Lower Middle-Market Seller Size by Buyer Size in 2017



Source: [Repperio](#), S&P Capital IQ

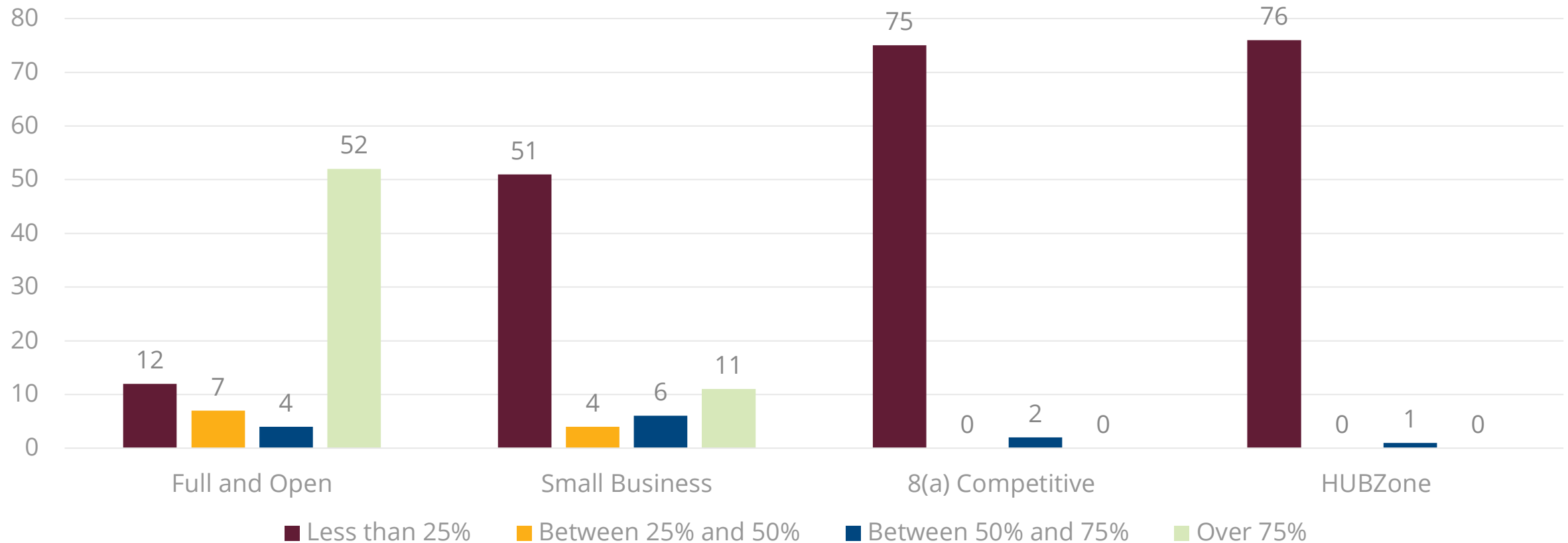
Surprisingly, large players are often viable buyers of smaller companies in the lower middle market.

Deal Examples: The Large Buying the Small

Date	Target	Buyer	Press Release	Rationale
1/3/17	 \$3M – 6M	 \$75M - \$90M	Press Release	Capabilities – Combined companies better equipped to provide world-class cloud, data analytics, agile development and cyber solutions
2/21/17	 \$8M – 12M	 \$26B	Press Release	Capabilities – Enhances capabilities for the engineering and manufacturing development of the Electromagnetic Rail Gun (EMRG)
12/7/17	 \$1 – 5M	 \$10B	Press Release	Tech/IP – Adds an important, high-energy density undersea power generation technology for Unmanned Undersea Vehicles (UUVs) to L3's Sensor Systems portfolio

Set-Aside Revenues: How Do They Affect Transactions?

Number of Transactions in 2017 By Set Aside Type and Percent of Target Revenue



Source: [Repperio](#), compiled by Crossroads Capital

Most targets have predominantly full-and-open work, however, there are numerous examples of companies being successfully acquired despite large amounts of set-aside work.

Set-Aside Revenues: Average Set-Aside "Percent of Revenue" Levels in 2017 Transactions







<i>Seller's Size</i>	Number of Companies	Full and Open	Small Business	SDVO Small Business*	8(A) Sole Source*	8(a) Competitive*	HUBZone*
Less than \$5M Prime	34	66%	30%	2%	0%	2%	0%
\$5M - \$10M Prime	4	60%	26%	0%	0%	0%	14%
\$10M - \$25M Prime	11	75%	18%	0%	1%	6%	0%
\$25 M - \$50M Prime	9	87%	11%	0%	0%	2%	0%
\$50M - \$100M Prime	9	88%	12%	0%	0%	0%	0%
\$100M+ Prime	8	75%	18%	6%	0%	0%	0%

*There are very few targets in these categories, and so, the averages in these columns are heavily skewed. For reference, see previous page.

Source: [Repperio](#), compiled by Crossroads Capital

Most targets have predominantly full-and-open work, however, there are numerous examples of companies being successfully acquired despite large amounts of set-aside work.

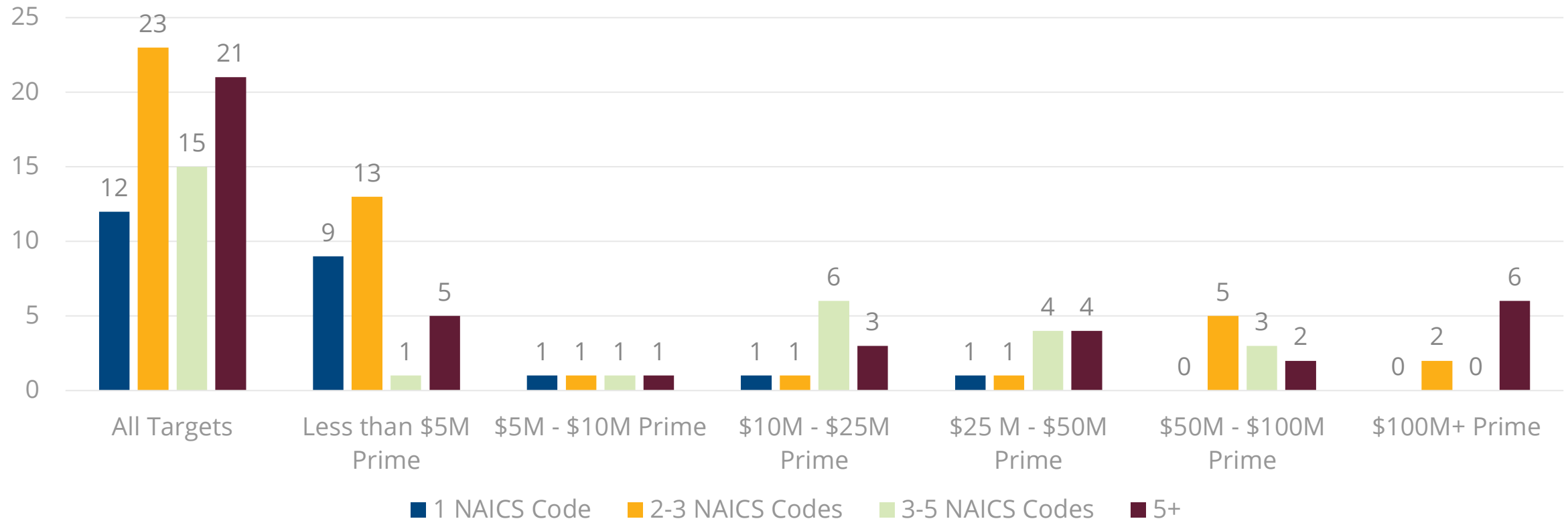
Set-Asides: Examples of Transactions with Majority Set-Aside Revenues Sellers

Date	Target	Full & Open vs. Set-Asides	Buyer	Press Release	Rationale
3/16/17	 ADAPTIVE METHODS	\$17.3M Revenue, 43% Small Business Set-Aside	 Technologies	Press Release	Tech/IP — adds innovate UUV autonomy technology to broaden capabilities of L3's Sensor Systems segment
6/13/17		\$177M Revenue, 42% Small Business Set-Aside		Press Release	Capabilities — PAE gains capabilities to enable critical missions in national security, law enforcement, immigration
7/5/17		\$134.6M Revenue, 81% Small Business Set-Aside		Press Release	Capabilities — NES provides compatible capabilities in enterprise networking, cybersecurity, infrastructure, application architecture, implementation

In 2017, there was several instances of very large (and some publicly traded) buyers acquiring companies deriving large portions of their revenues from set-aside contracts.

Specialization: Which NAICS Codes and Diversification?

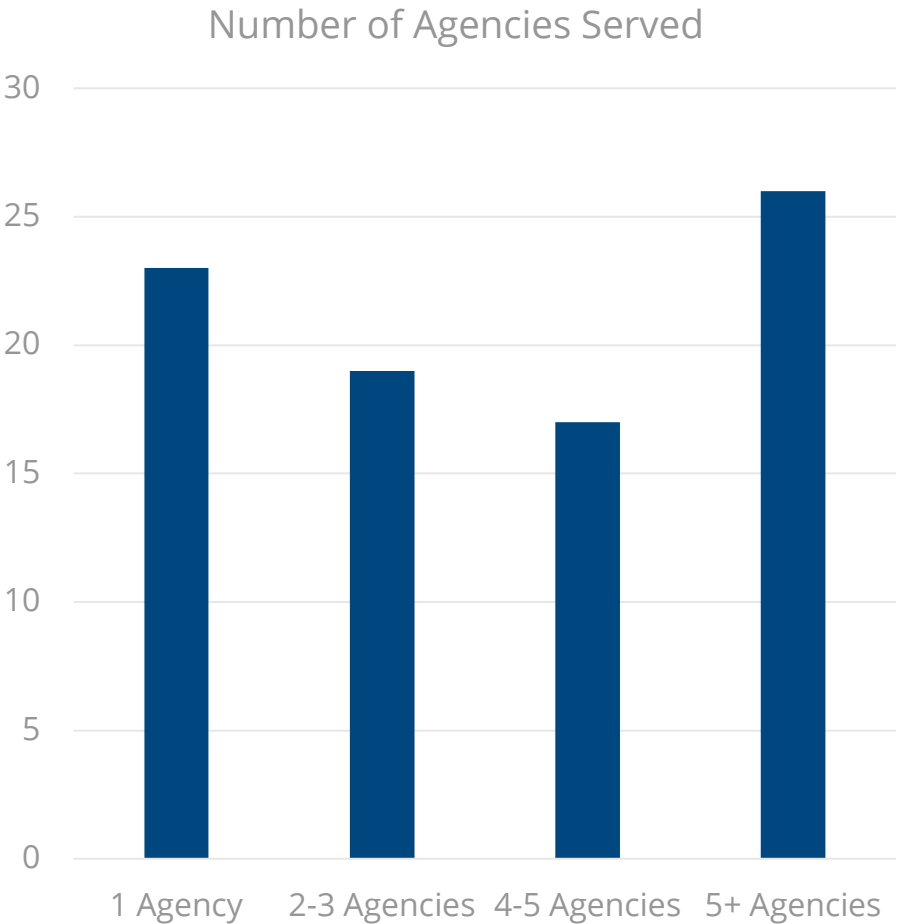
Number of Targets by Number NAICS Codes Referenced



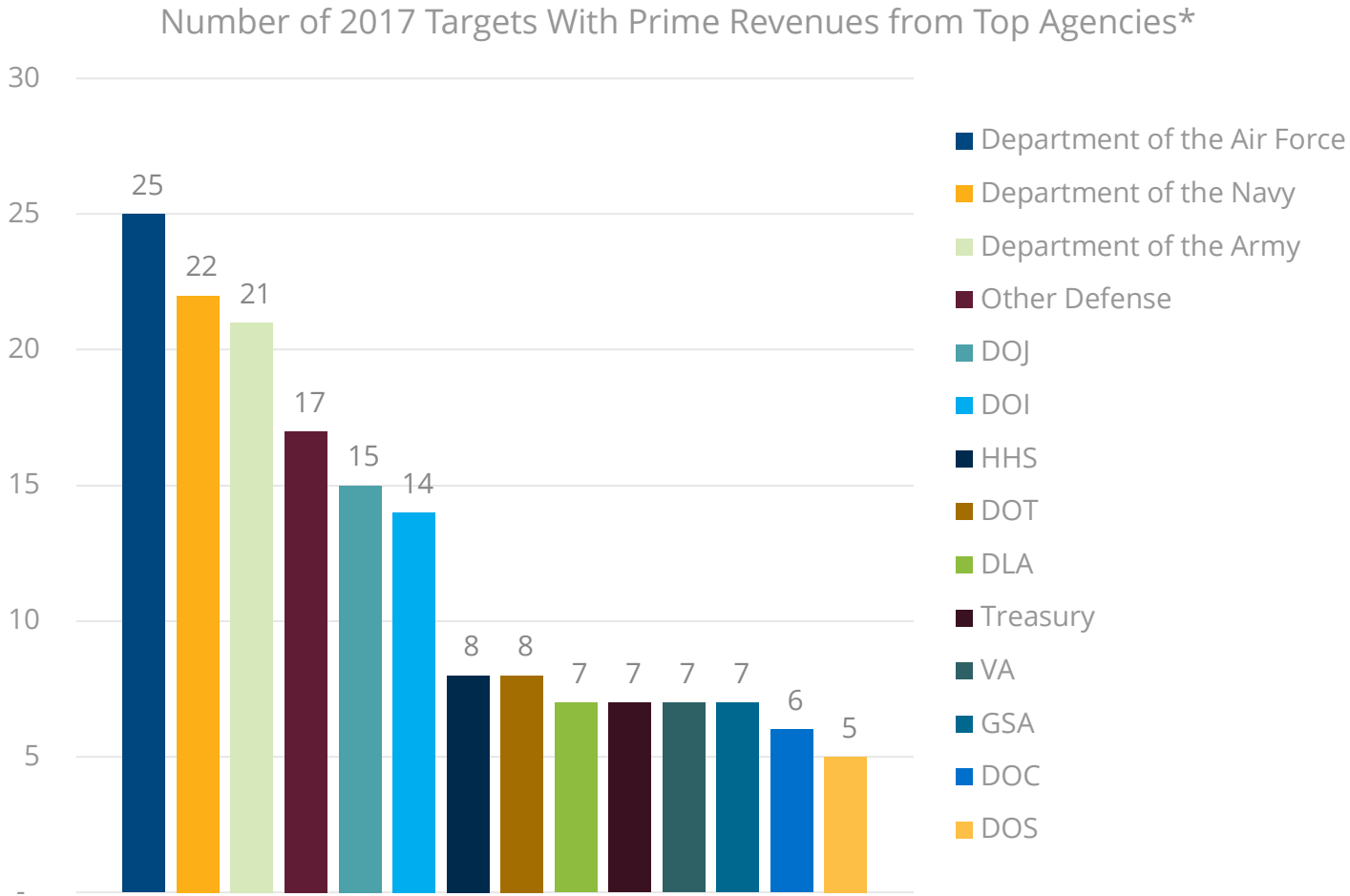
Source: [Repperio](#), compiled by Crossroads Capital

The smaller targets appear to be more specialized, while the larger ones offer more NAICS codes.

Customers Served: Which Agencies



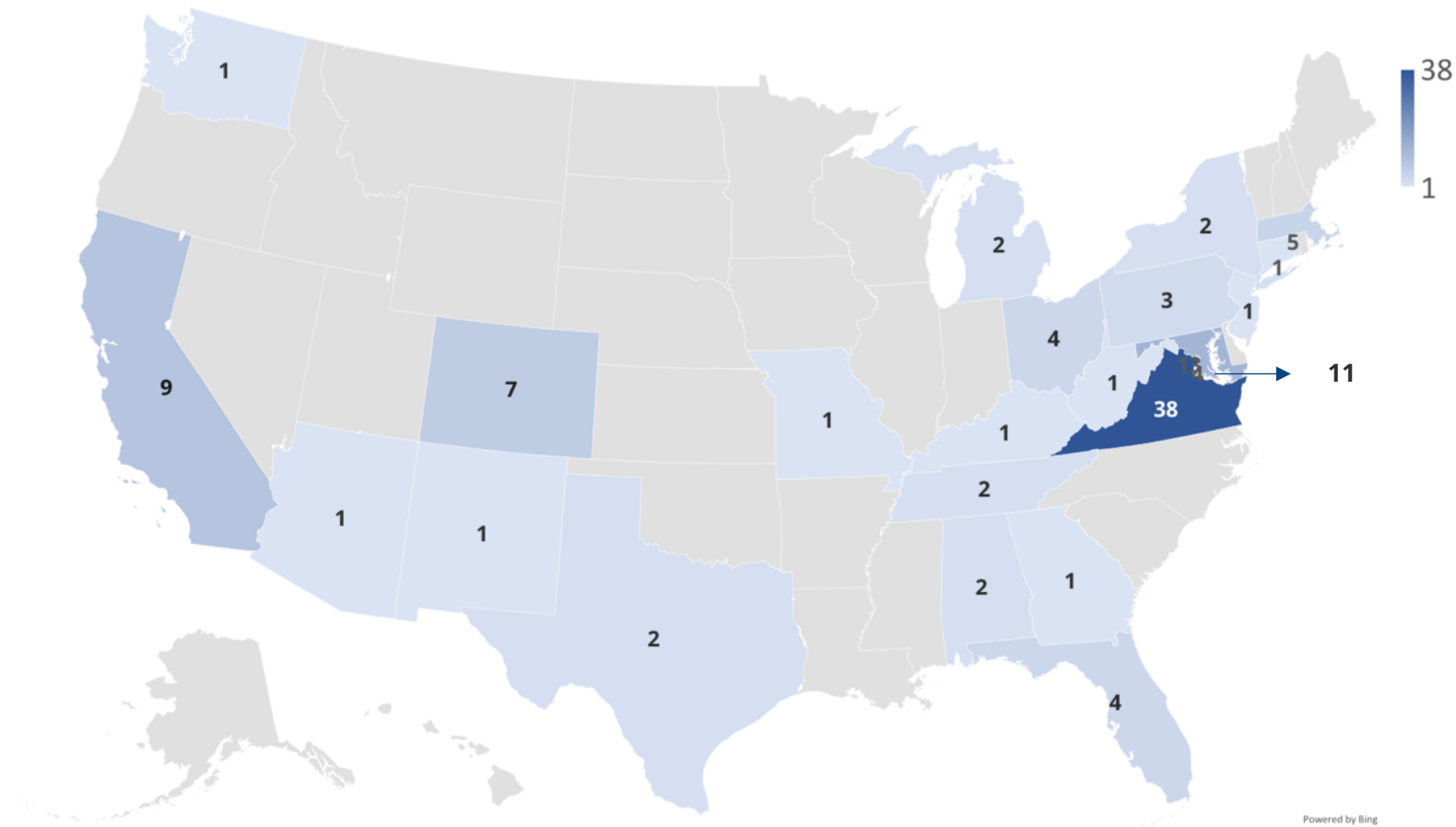
Source: [Repperio](#), compiled by Crossroads Capital



*Must have received more than \$100,000 in 2017 to qualify

Access to multiple agencies, in particular defense and intelligence remains highly desirable.

Geographies: Target States



Source: [Repperio](#), compiled by Crossroads Capital

The DC-metro region remains the epicenter of deal activity with VA being the overwhelming winner.

Key Takeaways: What Do Buyers Actually Want?

1. Above all else, buyers in 2017 sought capabilities, especially IT services, cybersecurity, cloud, and software.
2. Revenue size does NOT matter (that much). If the capabilities are attractive enough, a large company will buy even very small players.
3. Full & Open work is preferable, however, for the right capabilities, cleared staff, and agency access, large companies will pay top-dollar for set-aside revenue that they will be unlikely to recompete.
4. The smaller targets had far fewer NAICS codes and exhibited more specialization than the larger targets. Size allows diversification, but premature diversification may indicate lack of strategic focus or depth of capability.
5. Defense, military, and intelligence customers remain highly desirable for buyers.
6. Most targets were headquartered in Greater DC Area – overwhelmingly in VA.

Key Data Source: Repperio



Know the Landscape.
Do Less – Win More

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Repperio is a fast, intuitive pipeline management solution that matches your actual workflow - with competitive analysis and partner due diligence baked in – ***giving you the ability to identify your highest P(win) opportunities and partners in mere clicks.***

The data powering these insights has been compiled using Repperio, a GovCon-focused contracting data analytics platform. To schedule a demo of Repperio, [please click here](#).

4. Implications for Prospective Sellers

What Can Sellers Do Given Buyer Preferences?

What Are Buyers Looking for? Critical Questions to Ask in Conclusion

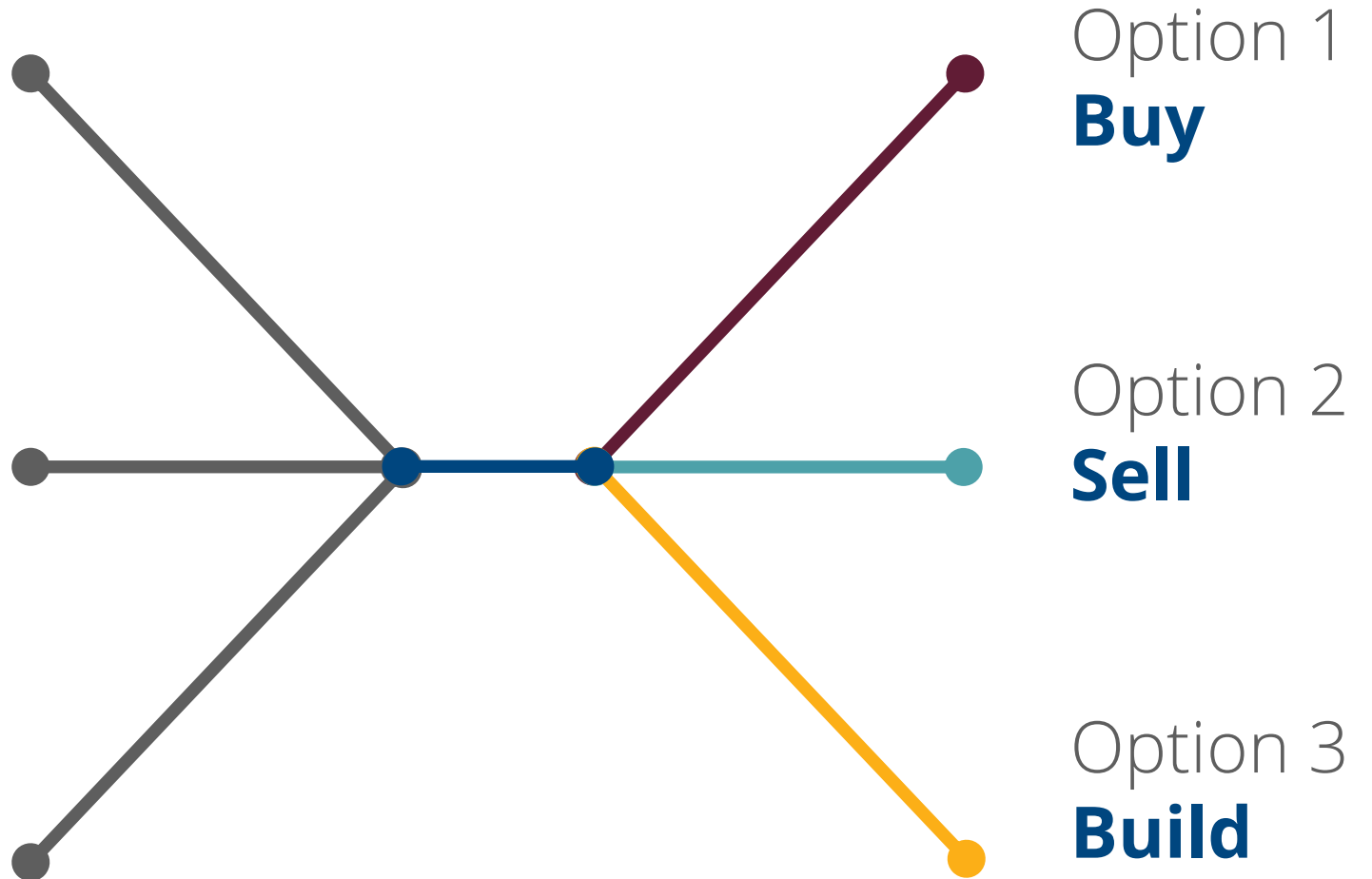
1. What characteristics do buyers find most attractive in the GovCon space?
 - *Conduct research & talk to market participants*
2. Do I credibly possess these characteristics?
 - *Conduct an objective self-assessment; compile your own corporate dashboard using research data*
3. How do I demonstrate them to buyers?
 - *Create a plan to prepare yourself for optimal exit in light of your desired timeline, resources, and goals*
4. How do I develop them if I don't have them already?
 - *Consider acquiring them*
 - *Set-up a mentor/protégé program*
 - *Invest in capabilities*
 - *Adjust BD, proposal & teaming strategies*
 - *Create a long-term strategic corporate development plan*

Start by Defining Your Ideal Exit: The Key Questions

Desired State
What Do I Want?

Status Quo
What Do I Have Today?

Path Forward
How Can I Get There?



Choosing the Right Timeline: How and When You Want to Exit

Sell
now

Improve and
position better

Transformation
(\$10M → \$70M)

0 - 1
YEARS

1 - 3
YEARS

3 - 7
YEARS

**Begin Sell-
Side Process**

**Tactical Prep
for Sale**

**Strategic
Growth**

Evaluating Exit Readiness: Three Characteristics to Think About

Replicable Business – To what extent can your business run on without you? The less day-to-day operations and key decisions depend on the owner's direct involvement, the better.

Existential Risks & Uncertainty – All companies operate with significant risks as part of their regular course of business, however are these risks so great and are their outcomes so uncertain as to question the long-term viability of the business?

Comparison with Peers – A company underperforming its peers across multiple categories will not command a premium valuation, but will be discounted as the pool of buyers contracts and the company's relative attractiveness diminishes.

Proactively addressing these key issues can drive improved exit valuations and a smoother eventual sell-side process.

Successful Sell-Side Process: How Preparation Helps



Compelling Narrative



How credible is your story if your metrics indicate otherwise?



Large & Discerning Buyer Pool



Will an unmitigated weakness be problematic enough to limit the buyer pool?



Competition & Urgency



If diligence is disjointed, how aggressive and motivated would you be to proceed?



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Thank You!

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