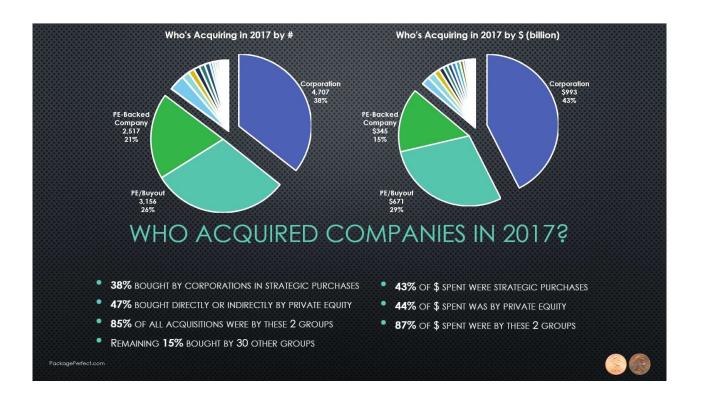


### **EXIT PLAN OUTLINE**

Abbreviated presentation to be used for Exit Planning.

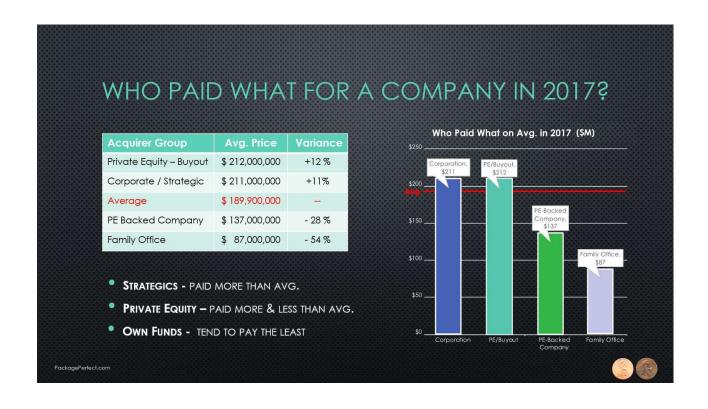



### 2017 Median and Average Acquisition Price by Investor Type by Participation\*

Investor Type	Median	Average
PE/Buyout	\$98	\$212
PE-Backed Company	\$72	\$137
Corporation / Strategic	\$59	\$211
Family Office	\$74	\$87

<sup>\*</sup>Data on individual investor's contributions to each deal is unavailable. Thus medians and averages are calculated on deal sizes by participation of investment type.

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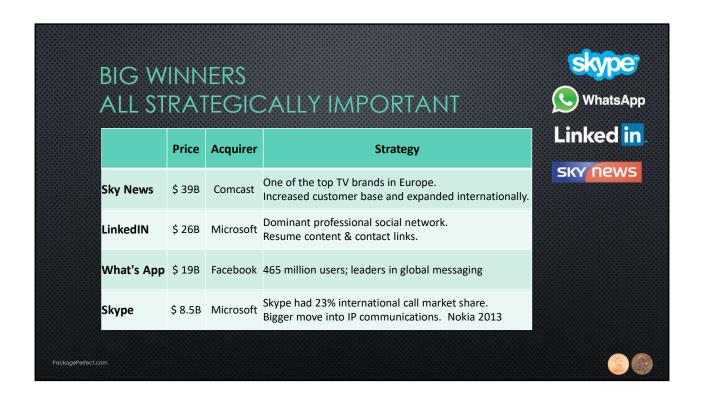
## Protection Priories Unsplash

### WHO'S YOUR BUYER?

- **STRATEGICS** BOUGHT 38%\* OF COMPANIES.
  - PAID 11%\* ABOVE AVG.
  - NOT BUYING FOR RESALE. SYNERGIES. SCALE. ROAD MAPS. AVOID NEW PRODUCT RISK. OPM. U.S. TAX CUT.
  - Do you have a strategic investor? Bring your own horse!
- PRIVATE EQUITY BOUGHT 47%\* OF COMPANIES.
  - PAID 12%\* ABOVE AVG. ON BUYOUTS.
  - PAID 28%\* BELOW AVG. BY PE OWNED; BUYING FOR PROFIT.
  - FOCUS ON MANAGEMENT. CHIPS OFF THE TABLE. OPM.
- OPM is always a consideration.
- DIFFERENT MESSAGE EMPHASIS FOR DIFFERENT BUYERS.

\*2017 figures.




RE STRATECICALLY IMPORTANT SKIPE	
BE STRATEGICALLY IMPORTANT  WhatsApp	
• Outsized transactions Strategic. Ultimate buyer. Linked in	
• PRICE REVENUE IS IMPORTANT; NOT NECESSARILY EARNINGS.  RECURRING REVENUE, MARGINS & QUALITY OF EARNINGS ARE IMPORTANT AT HIGHER VALUATIONS.	
Strategic Importance	
BEST THING TO SCALE IS REVENUE.	
If you can't scale your revenue, scale something important. WhatsApp	
BE STRATEGICALLY IMPORTANT TO SOMEONE, SOME MARKET OR SOME PROCESS.  PackagePerfect.com	

VALUE THRESHOLDS	<b>BONUS: \$5 MILLIC</b>
<ul> <li>Low valuations – EBITDA &amp; Revenue thresholds</li> </ul>	
<ul> <li>MID MARKET - RECURRING REVENUE, MARGINS, AND QUALITY OF EARNINGS ARE THRESHOLDS</li> </ul>	5 5,7 9 0 0 0,0 0
All size deals - Market Dominance is best	00,00000,00
HITTING A THRESHOLD	Que la companya de la companya della companya della companya de la companya della
MULTIPLIER EFFECT	
ATTRACTS MORE BUYERS	
PINBALL BONUS	Gottiet's
Multiplier Effects work the same way	


** - * ** * * * * * * * * * * * * * * *	Deal value on pace to hold steady on lower transaction
<ul> <li>FISH WHEN THE FISHING IS GOOD</li> <li>2018 - FROTHY MARKET. YEAR OF THE MEGA-DEAL.</li> </ul>	North American and European M&A activity
<ul> <li>IDENTIFY YOUR VALUE THRESHOLDS.</li> </ul>	20,834 24,386 16,863 20,256 20,672
• FINANCIAL BUYERS	16,379
<ul> <li>PE is here to stay due large &amp; stable returns.</li> </ul>	
<ul> <li>\$556B IN DRY POWDER @ YE 2017.</li> </ul>	\$2,0470 \$1,136.2 \$1,746.8 \$2,241.9 \$2,241.9 \$3,334.7 \$3,535.5
STRATEGIC BUYERS	2008 2009 2010 2011 2012 2013 2014 2015 2016 20
<ul> <li>Each has own agenda.</li> </ul>	Deal value (\$B) Estimated deal value # of deals closed Estimated # of deals c
<ul> <li>More aggressive in strong markets.</li> </ul>	Sour 'As at Septer
• When is the right time for your company?	
	Data provided by <b>PitchBook</b>
pePerfect.com	bulla provided by PILCHBOOK.




AMPLIFY AUCTION TENSION	
What's the value of bringing one additional buyer to your M&A?	
A LOT.	
PackagePerfect.com	

	AMPLIFY A	UCTION TENS	SION
HIDDI	EN BUYERS		
• Fo	vate Equity buyers reign investors ategics <b>not</b> in your i	ndustry	
PackagePerfect.com			

# AMPLIFY AUCTION TENSION EXIT VALUE ENHANCEMENT • MANAGE PERCEPTION VS. REALITY • BE DISTINCTIVE • BRAND & POSITION UNIQUELY • INCREASE VISIBILITY • THE BIG STORY FUNDAMENTAL STORY


### PERCEPTION & REALITY

• IF YOU DON'T PERCEIVE SOMETHING, IT'S NOT PART OF YOUR REALITY.
SO WHEN IT COMES TO REALITY VS. PERCEPTION...

## REALITY IS MEANINGLESS UNLESS IT AFFECTS PERCEPTION

- Your Due Diligence is about the reality of your company.
- ATTRACTING A BUYER IS ALL ABOUT PERCEPTIONS.
- PERCEPTIONS + REALITY = DEAL OPTICS

PackagePerfect.com





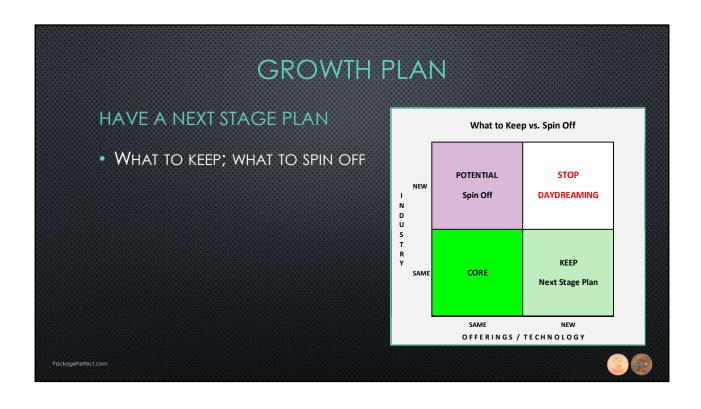


# THE BIG STORY Output THE BIG STORY Output Differentiate: Focus on Company Uniqueness Massive Marketing: 12 – 30 Months out PR Campaign to Industry & Financial Media Marketing Plan: Social Media, Advertising, etc. Chum the water for your M&A Collect Marketing Proof in Hard Copy GIVE MARKETING PROOF TO YOUR I-BANKS They will appreciate it!! Collection They will appreciate it!!

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# AMPLIFY AUCTION TENSION SUMMARY PERCEPTION VS. REALITY BE DISTINCTIVE BRAND & POSITION UNIQUELY INCREASE VISIBILITY GET MARKETING PROOF POLICY OF THE PROOF


## **GROWTH PLAN** HAVE A NEXT STAGE PLAN Help Buyer Achieve their Goals Heads they Win; TAILS THEY DON'T LOSE DIFFERENT VISIONS FOR: FINANCIAL ACQUIRER • STRATEGIC ACQUIRER




## **GROWTH PLAN** HAVE A NEXT STAGE PLAN Help Buyer Achieve their Goals HIGHLIGHT SYNERGIES THAT HELP YOU GROW PLAN WHAT TO KEEP; WHAT TO SPIN OFF

	DE-RIS	K THE DEAL	
ENSUR	E YOUR INCOME ST	REAM	
• Solid • Well (	Market Position  Management Team  Oiled Machine  Jntapped Asset Pools		SK
PackagePerfect.com			




What can you do today?	
DISCUSS M&A WITH YOUR BOARD  EXIT	
SET A TENTATIVE DATE	
Have a Target Value Threshold	
Balance Market Timing with achievement of your Value Threshold(s)	
PackagePerfect.com	
	—

	What can you do today?
	PLAN YOUR M&A
	<ul> <li>DRAFT AN EXIT PLAN</li> <li>REVIEW SHINY PENNY 1-7</li> <li>AMPLIFY THE MARKETING</li> <li>PUT THE PLAN IN WRITING</li> <li>UNDERSTAND EXIT MECHANICS</li> </ul>
	• PLAN TO HIRE AN INVESTMENT BANK
PackagePerfec	ct.com

What can you do today?	
HIRE AN INVESTMENT BANK	
<ul> <li>HIRING AN I-BANK IS HIGHLY VALUABLE</li> <li>AUCTION TENSION</li> <li>DEAL PACKAGING AND PRESENTATION</li> <li>DEAL SHOPPING</li> <li>FINANCING ALTERNATIVES</li> <li>MERGER ALTERNATIVES</li> </ul>	
<ul> <li>Interview 2-3 in your size range &amp; industry specialization</li> <li>Tell them what you're thinking</li> <li>Ask them what they'd do</li> </ul>	



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