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MAXIMIZING YOUR VALUE BEFORE A TRANSACTION

WHAT BUSINESS OWNERS SHOULD KNOW

Selling a company is more than a business transaction – it's a life transition. It's never easy for owners to walk away from a business they have spent their lives building. P&M Corporate Finance (PMCF) exists to help businesses chart these unfamiliar waters and ensure a successful outcome for your company through thoughtful and diligent strategic planning and analysis. However, that process starts well in advance of any liquidity event.

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THE IMPORTANCE OF PLANNING

Organizations that incorporate a long-term view on exit planning are better positioned to achieve higher shareholder returns from the sale of the business. Although short-term actions may have an impact, many business areas cannot be addressed with "running fixes" while a transaction is in process. Our goal is to minimize any potential surprises and develop a tailored transaction plan with results-driven solutions to maximize value for your business.

This process starts with developing an understanding of where businesses are currently allocating their investment and procurement dollars and how that align with your business:

- What is the funding status of the high-priority / relevant programs and contracts to your business?
- What is the length of these contracts and how much funding has been obligated?
- What is the lead time for these projects?
- How is your business integrated into the supply chain?
- How is your organization performing on your contracts?

Answering these questions will help your company identify actionable/relevant growth opportunities within your industry, establish a "game plan" that management can execute, and ultimately create the path for a successful liquidity event.

WHAT IS A READINESS REVIEW™ AND WHY IS IT IMPORTANT?

A Readiness Review is a comprehensive report that examines a business holistically with specific consideration given to the financial results, operations, and organizational structure. We advise our clients 12-36 months before a planned liquidity event to ensure your company is ready for a transaction. This process includes:

- Determining your company's current value
- Identifying factors that enhance or erode value and related risk considerations
- Developing strategies to bridge gaps in value and market position

The Readiness Review allows shareholders time to fully assess the business and implement changes, and align strategies with the personal value creation objectives of the shareholders.



Readiness Reviews help companies prepare for a transaction, manage risks, and maximize value

SIGNIFICANT INDUSTRY EXPERTISE AND RESOURCES

Founded in 1995, PMCF has spent the past 25+ years successfully advising clients in the middle market. From M&A advisory or capital raising to strategic assessment and transaction planning, we execute transactions to achieve life-changing outcomes for our clients. We leverage our significant deal experience, industry relationships, and a deep understanding of sectors we serve to support our clients' organic and inorganic growth initiatives.

PMCF takes a strategic approach to transaction planning, ensuring the positioning and messaging conveys the unique differentiators of the company. Our affiliation with Plante Moran provides us access to transaction tax experts at provide insight into structure planning considerations. Together, our team and the Readiness Review, prepare companies to navigate the challenges of, and succeed in, today's competitive environment. Areas of assessment may include:

- Developing strategies to effectively deploy capital and resources to maximize ROI on your high-priority growth initiatives
- Aligning your process capabilities with key macro trends driving industry growth
- Evaluating KPI trends and results and understanding how they are used in daily management
- Reviewing the organizational chart and the internal plan for turnover and/or succession of key management team members
- Pursuing customer diversification at attractive, appropriate margins
- Understanding margin trends and concentrations of margin within product groups or customers
- Assessing your Company's differentiation and position in the marketplace
- Leveraging our extensive global relationships to help penetrate new customers and/or markets



READINESS REVIEW PROCESS

We recognize a successful outcome means something different to each company and its shareholders. Our readiness review encompasses a thorough understanding of the shareholders' liquidity objectives in combination with a detailed review of the company's operations, organizational structure, strategic plans, and product, customer, and financial profile. Our analysis includes observations on value as well as identification of key metrics that can impact value based on a buyer's perception of risk. Upon the completion of our readiness review process, the PMCF team delivers a formal report that includes:

Preliminary Positioning Assessment

PMCF will conduct a comprehensive analysis of your company as well as current macro trends impacting the business and the industry.

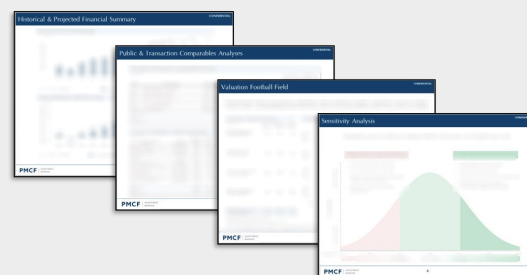
- Preliminary Company Positioning
- Industry Snapshot / Analysis
- Key Compelling Positioning Attributes
- Areas For Further Assessment



Comprehensive Valuation Summary

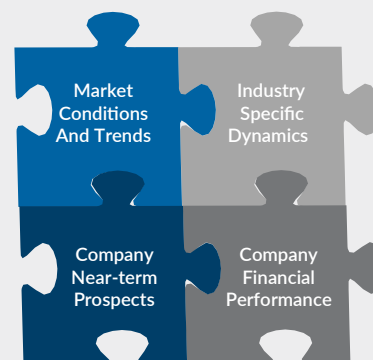
PMCF will conduct a valuation analysis, which provides shareholders with a current "market" value of the company and serves as the platform for recommendations and planning assessment.

- Historical and Projected Financial Summary
- Valuation Methodologies
- Preliminary Valuation Range
- Sensitivity Analyses



Recommendations and Planning

Our Readiness Review report will identify key transaction planning items and recommendations for implementation to position for optimal value and achieve your transaction objectives. We will also establish future recurring planning discussions (e.g. every 3-6 months) to examine progress towards your goals, which will impact, in part, the ideal time and market conditions to approach the market with your business.





PRACTICAL ADVICE FOR POTENTIAL SELLERS

- Past experiences with clients who recently sold their businesses makes several things perfectly clear. First, the process of selling a business is lengthy and complicated. Consequently, things never go perfectly. However, preparation and commitment to the process go a long way toward achieving the desired outcome.
- Second, be certain of what you want, and stick to your goals. Don't let others sidetrack you or pull you in directions that contradict the outcome you're trying to achieve.
- Finally, even those who have sold businesses before will encounter some unexpected twists and turns. That's why it's so important to plan and be prepared for the process—to minimize these surprises as much as possible. The key to staying on the right road is to have the right people on your team—including the right financial and legal partners—and the flexibility to adjust to unforeseen challenges.

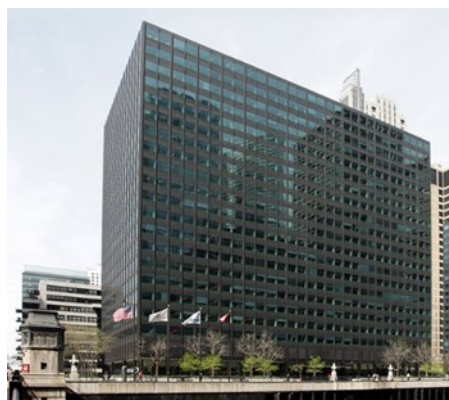
We hope you find our insights helpful in evaluating today's dynamic M&A environment. Please contact us if you have any questions or would like to set up a confidential call or meeting.

For more information, please visit pmcf.com.



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