

Capital Market Assessment Proposed Timeline

Assessing strategic capital market options and alternatives for your business is a complex and critical process. Our goal is to obtain an understanding of your overall financial goals and objectives and use this to develop a plan that will successfully enable you to achieve these objectives. We will draw from our experience in working on more than 2,100 transactions across a wide range of industries. While the action steps will be adjusted to achieve your desired objectives, the general process includes:

1 Background

- ▶ Obtain a general understanding of the high-level goals and objectives of the ownership team.
- ▶ Obtain an understanding of the company including:
 - ▶ History, industry, competition, etc.,
 - Financial performance over past 3 years,
 - Changes in the business over this time (acquisitions, divestitures, new locations, etc.),
 - New strategies/initiatives underway, and
 - The impact COVID-19 had on the business and changes resulting from the pandemic.

2 Assessment of Valuation Results and Alignment with Overall Goals and Objectives

- ▶ Review the results of the Indication of Value process,
- ▶ Consider the impact this result might have on the ability to achieve overall goals/objectives,
- ▶ Discuss and review revisions to the overall strategy and corresponding impact to the previously outlined goals/objectives, and
- ▶ Determine next steps.

3 Indication of Value

- ▶ After an initial understanding of the goals and objectives of the business owners is obtained, the next most important aspect of the strategic capital markets process is to develop an indication of value of the subject business. This will take into consideration items such as:
 - Financial performance,
 - Market trends and comparable transactions,
 - In assessing similar transactions, development of a buyer profile in these transactions is also important. This can be used in later phases of the process, and
 - Risks and opportunities to sustain positive performance or reverse negative trends, etc.

The indication of value is performed by Cherry Bekaert valuation team members who are highly qualified and possess various designations/certifications such as Accredited Senior Appraiser (“ASA”) and Chartered Financial Analyst (“CFA”), both of which are considered the pinnacle of certification in the world of valuation services.

4 Capital Market Options/Alternatives

- ▶ Review options related to capital market activities including:
 - How to achieve maximum value,
 - How to protect key employees while ensuring they have both employment and financial security,
 - Process alternatives (e.g. auction process),
 - Potential buyers (ESOP, Private Equity, Family Offices, Strategics, etc.), and
 - The use of investment bankers, and possible introductions that could be made to known investors within the Cherry Bekaert client base, etc.
- ▶ Craft plan and timeline to move forward including views toward:
 - Sell-side Quality of Earnings,
 - Tax structuring designed to maximize after tax cash proceeds, and
 - Review of estate planning strategies.

About Cherry Bekaert

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