



VELD MERGERS & ACQUISITIONS

LOS ANGELES • HONG KONG
SAN DIEGO • SAN FRANCISCO



MERGERS & ACQUISITIONS, VALUATION & EXIT PLANNING FOR THE LOWER MIDDLE MARKET

Veld Mergers and Acquisitions works with **Lower Middle Market** business owners to realize their unique definition of success. We provide our client-partners a comprehensive service offering tailored to support their needs at all stages of their and their company's lifecycle. We work in conjunction with a client's legacy provider network to curate an ideal multidisciplinary team of exit planning professionals.

Collaborative engagements begin with us obtaining a thorough understanding of each enterprise's **value drivers** as well as its shareholders' **personal goals** to holistically structure any exit plan. Our success-based approach aligns our interests with those of our client-partners and support the notion that we share in our client's success just as we shoulder the burden of any disappointments.



**“SOMETIMES THE SMALLEST STEP IN
THE RIGHT DIRECTION ENDS UP BEING
THE BIGGEST STEP IN YOUR LIFE”**

GLOBAL REACH M & A SERVICES

We work with **Lower Middle Market** companies across all industries. Client-partners typically possess

- ◆ \$10 - \$50 M Revenues
- ◆ \$1 - \$5 M EBITDA / Earnings
- ◆ \$5 - \$20 M Enterprise Value
- ◆ Controlling Interest

We pride ourselves in our success rate across all industries, geographies and in atypical situations. We embrace a **holistic approach**, in which we evaluate an array of potential solutions that may satisfy our client-partner's goals, as opposed to adhering to a one-size-fits-all solution.

While maximizing shareholder value remains a primary focus, each client's values, transition and lifetime goals and legacy initiatives may prove to be even more critical transaction drivers. Initial purchase price may become less important when a buyer's management style, long-term intentions or a deal structure's tax implications are factored in. Our longevity, client-aligned incentive structure and flexible engagement process are a testament to our commitment to achieving the desired outcome. Our 1,000+ completed transactions and 80%+ success rate speak to our efficacy.

***“OUR ORIGINS ARE ROOTED
IN CALIFORNIA, BUT OUR
REACH HAS BECOME GLOBAL”***





TECHNICAL EXPERTISE VALUATION

A realistic **value understanding** is crucial, but many clients do not require our certified valuations to obtain this. To address this, in 2004 we developed less costly alternatives to better suit client needs.

- ◆ Opinion of Value Letter / Report
- ◆ Preliminary Value Estimate
- ◆ Future Value Forecast

Should the circumstance merit it, we can provide a certified valuation, or potentially convert an opinion report to a more comprehensive valuation. As report requirements vary per purpose, we leverage our partner network to provide the most suitable solution for a client's needs.



When selecting an expert to provide an accurate business valuation, typical choices range from multinational accounting consultancies to small appraisal firms. We regularly encounter clients who engaged firms that do not possess valuation credentials yet charge exorbitant fees to deliver an inflated valuation or merely a rule of thumb value estimate. Valuation is a stand-alone profession in which even qualified valuers will have different perspectives on the applicable methodologies, rates and adjustments to be applied to arrive at a company's worth. **Our approach follows our "less is more" philosophy.** We do not try to provide a more complicated study than is necessary for a given purpose.

Many clients initially rely on an opinion report or rule of thumb assessment from practitioners who are not professional valuers, may not adhere to sound valuation principles or aren't familiar with the M&A marketplace. We are happy to review other's work to help ensure realistic expectations are being set to avoid disappointing outcomes.

**“THE FIRST PART OF ANY JOURNEY IS TO
UNDERSTAND WHAT YOU DON'T KNOW ABOUT IT”**



**“YOU CANNOT FIND WHAT
YOU AREN'T LOOKING FOR!”**

CO-PILOTS INTERIM ADVISORY

Key executive **deficiencies can inhibit growth & impair value** - particularly prior to an initiative or transition. Our pool of interim executives can help

- ◆ Prepare for an Exit or Transition
- ◆ Supplement Officer Skill Sets
- ◆ Provide Management Expertise

Interim management specialists will allow clients to leverage resources as needed and maintain focus on the overall objective.

SAFE HARBOR

Our Partner Network includes those who may act as interim CFO or CEOs in case of death or disability. While intended to assist a client or their heirs through a 3rd party sale or alternative solution, such **stewardship** also represents a viable hold strategy that may prove to be in the family's best long-term interest.

- ◆ Interim CEO / President
- ◆ Board Advisory

Time and again we have witnessed the tremendous amount of value that is quickly lost when a client is no longer able to continue managing their company. This solution helps to preserve that value precisely when it may be the most crucial.

YOUR FUTURE EXIT & TRANSITION PLANNING

It's never too early to **start planning**, but more often than not it may be too late for several options. Our Certified Exit Planners will coordinate with your legacy professional service providers to

- ◆ Curate an Exit Planning Team
- ◆ Craft an Achievable Plan
- ◆ Evaluate & Parallel Process Alternative Options
- ◆ Explore Tax Mitigation Strategies

Together with our internal network, we will curate a team to craft an exit plan that is designed to allow clients to Exit on Their Terms. This will help to ensure that any transition is aligned with their financial goals, personal values and legacy objectives.

Despite the majority of our client's net worth being tied to their company's value, less than 15% of owners have engaged in any substantive form of exit planning. Running day-to-day operations will always appear to be the most urgent matter, but it's rarely the most important. When looking at the 'big picture', protecting and maximizing enterprise value likely is. What clients often don't realize is that basic planning techniques are likely to yield greater and more immediate benefits than traditional growth initiatives.

By determining the options available far enough in advance, owners won't preclude themselves from benefiting from what may be the most attractive transition paths or tax mitigation strategies. Without this, they cannot truly be in control of their destiny. **As long as they aren't in control, someone else will be.**

One way or another, everyone will transition out of their business. Over half of those exits will not be voluntarily due to the 6 D's. The only question is if that exit will be on their terms or someone else's.



DEATH



DISABILITY



DIVORCE



DISTRESS



DISAGREEMENT



**DISEASE
(SHUTDOWNS)**

***“PLANNING ALMOST NEVER FAILS
BECAUSE IT'S TOO EARLY. IT ALMOST
ALWAYS FAILS BECAUSE IT'S TOO LATE.”***



YOUR LEGACY

LEGACY PRESERVATION

Great companies endure beyond their founders. Our goal is to **honor, preserve and enhance** their legacy according to their values. This may include the following

- ◆ Ensure Job Security / Establish an ESOP
- ◆ Make Charitable / Philanthropic Impact
- ◆ Engage in Environmental Stewardship
- ◆ Maximize Shareholder Value

Together with our partner network, we can assist in establishing our clients' legacy initiatives. This may translate into creating any number of specific purpose trusts or accomplishing a still unattainable goal (e.g. realizing a benchmark revenue or profit objective, securing a partnership, launching a new product or service, expanding geographically, going public, merging with a strategic partner or competitor, etc.). **The only limit may be our collective imaginations.**



*“THE GOAL ISN’T TO LIVE FOREVER,
IT IS TO CREATE SOMETHING THAT WILL...”*

CHALLENGES AHEAD

THE DEMOGRAPHIC CLIFF

12 million baby boomers, who own a disproportionate share of businesses, are set to retire by 2035. As 3 out of 4 businesses change hands, transitioning owners may find **traditional exits to be increasingly less attractive**. Though subsequent generations represent similar sized populations they have 33%-50% lower ownership rates. These entrepreneurs tend to favor disruptive start-ups and glamorous tech firms over old economy businesses. What does this mean for transitioning Baby Boomers?

- ◆ Prolonged Buyer's Market forecasted
- ◆ Most Prepared/Best in Class Companies to Remain Competitive
- ◆ Rising Private Equity Minimum EBITDA Thresholds (\$3 -> \$5 M)
- ◆ Alternative "Exit" Strategies Increasingly Attractive

To combat these potential challenges, we have supplemented our traditional transition strategies with innovative options to ensure our client's companies remain more competitive than ever. In some instances, clients may dramatically increase enterprise value and even arbitrage their valuation multiple prior to going to market. Some of our less conventional paths can allow clients to maintain an increased level of control over their transition and prove more beneficial and rewarding. Some clients find that they can position their company to sustain itself without their involvement or increased shareholder risk. **In fact, some paths may not require any Buyer!**



***“THE PROBLEM ISN'T THE PROBLEM.
THE PROBLEM IS THE TRADITIONAL APPROACH
TO SOLVING THE PROBLEM”***



OPPORTUNITIES AWAIT A TRANSITION DOES NOT ALWAYS MEAN RETIREMENT

Those in traditional careers often think that an owner's career abruptly ends the day they transition out of their company. While this may be true if so desired, in our experience entrepreneurship is a personality trait as opposed to a career choice. After a brief hiatus our clients tend to reengage and return to business in some capacity. **Problem solving, creating value and being productive is hard wired into their DNA.** Fortunately, deals may be structured to harness a client's experience and unique expertise. Paths available to them may include continued equity participation or sales, business development, consulting or board advisory roles in their own or in non-competing companies. We've witnessed former clients ...

- ◆ Source Deals, Orchestrate Roll-Ups, Curate Partnerships
- ◆ Assume Interim Executive Level Roles
- ◆ Mentor the Next Generation of Operators
- ◆ Shepherd Others Through Their Exit

In 20+ years of selling companies we've structured all types of transitions and recognized common themes in client motivations, value drivers, disappointments and worse, client regrets. **Deal structures may be engineered to incorporate** these important factors into action plans that provide **additional value, create new challenges and deliver continued sources of fulfillment.**

***“EVERY EXIT IS AN ENTRANCE
TO SOMEWHERE ELSE!”***

WHAT SETS US APART? EVERYTHING.

A TEAM SINCE 1986

Veld Mergers & Acquisitions principals have operated as a team since 1986 when each applied their unique talents to contribute to their freshman football team's success. In the following 37+ years several things have changed but others have not. The sense of **commitment, discipline, duty, integrity and loyalty** that were forged as their core values at Bishop Gorman High School remain evident throughout Veld M&A's practice today.



Michael A. Wildeveld

Michael Wildeveld, a high school valedictorian, holds a B.A. in Economics from Vanderbilt University and an MBA from the University of Michigan's Ross School of Business. Michael is active in leading Merger & Acquisition, Exit Planning and Business Valuation industry organizations, is a M&A Master Intermediary (M&AMI), an expert witness, and a member of the National Association of Certified Business Valuators and Analysts (NACVA), the Association for Corporate Growth (ACG) and ProVisors. He holds the following certifications - Mergers and Acquisitions Professional (CM&AP), M&A Advisor (CM&AA), Business Intermediary (CBI), Business Broker (CBB) and Exit Planning Advisor (CEPA).

Michael is passionate about cultivating disruptive concepts and regularly engages in business service and product launches, acquisitions and roll-ups where value may be created or valuation multiples arbitrated. He has accomplished this in the food manufacturing, printing, health and beauty services, hospitality and financial services industries.

Michael has made television appearances on NBC's Business Spotlight, CBS's Great Day Live, Warner Media's CW Network, Bloomberg TV, and Kevin Harrington's (Infomercial founder & original Shark Tank shark) show "Get Down to Business" that showcases entrepreneurs and business innovators. Michael is a contributing author to Exit Smart, Business Selling Insights Vol. 2, and Exit On Your Terms - Expert Hacks to Get More, Keep More, and Beat Private Equity at its Own Game. He is a speaker and presenter at conferences and events, and regularly appears on podcasts and radio shows such as Remarkable Radio's "Business Innovators Spotlight," received a cover page feature in Financial Services Review and has been quoted in the Los Angeles Business Journal, Entrepreneur and Forbes magazines.

Michael has completed a marathon yet remains a struggling golfer. On his quest to explore the world he has visited 136 countries (and counting) on all 7 continents.

AS SEEN ON



FEATURED IN

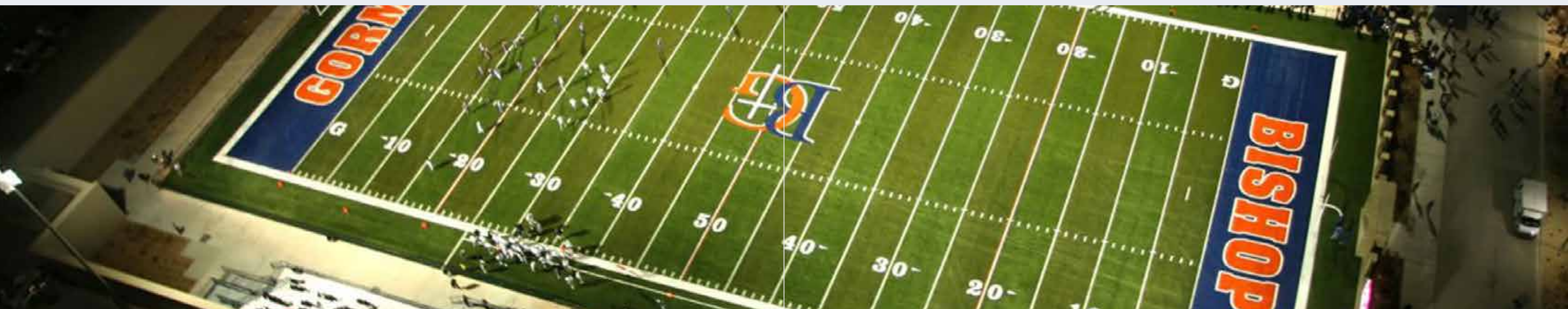


Ryan J. Clark

Ryan Clark is an entrepreneur, collegiate athlete, and likely California's most prolific business broker and Mergers & Acquisitions Intermediary. Mr. Clark attended The University of Nevada, Las Vegas (UNLV) where he received his Bachelor of Arts in Finance as well as being elected president of his Sigma Alpha Epsilon fraternal organization. Ryan honed his sales skills while still in high school and went on to perfect them while in college when he launched his own national direct sales company. Ryan merged his finance and sales background when he joined Citigroup as a Senior Financial Planner for high-net worth individuals. At Citigroup Ryan worked in corporate retirement planning, investment management, insurance and estate planning (Series 6 and 63 FINRA licensed).

Ryan is regularly recognized as one of the industry's most prolific intermediaries. In 2022 he was recognized in Finance Monthly's Global Awards Edition as one of the US's leading Mergers & Acquisitions Experts. Ever so humble for his accomplishments, Ryan attributes his extraordinary business success to his strong support network which includes his wife and children, family and friends, his early entrepreneurial experiences, and to the discipline he developed as a former world-class track athlete (High School State Champion and Division 1 collegiate sprinter in the 100 meter and 200 meter events). This discipline, coupled with the internal balance that he has developed from his daily meditation practice, has propelled him to the top of the brokerage industry where his "grace complements achievement".

Ryan is a Certified Merger & Acquisition Advisor (CM&AA) with the Alliance of Mergers & Acquisitions Advisors and a Certified Exit Planning Advisor (CEPA) with the Exit Planning Institute. Ryan is highly active in ProVisors, a community for professional trusted-advisors, where he is on the Executive Committee. He is regularly quoted in the Los Angeles Business Journal, contributes to podcasts such as Business Radio X, and appeared on FOX News morning program in San Diego.



20 YEARS BY THE NUMBERS

ORCHESTRATED



>1,000
TRANSACTIONS
Together with Veld Group

ACHIEVED



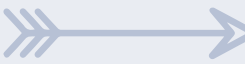
82%
SUCCESS RATE
Versus <33% Industry Average

COMPLETED

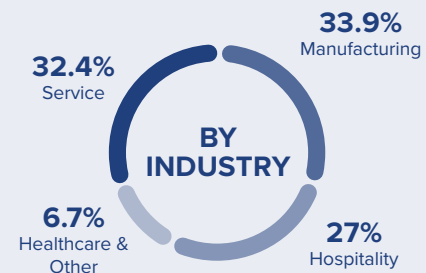


>360
VALUATIONS
~10k Informal Value Estimates

TARGET SIZE

\$5-\$20M
ENTERPRISE VALUE

EBITDA
\$1.0+ MILLION
VM&A Target Company Size
The Veld Group <\$5.0 million

TRANSACTION BREAKDOWN



APPROACHING



\$1B
Transaction Value

ESTABLISHED HISTORY



20 YEARS
SAME TEAM & LOCATION

TRANSACTION TYPES



- ◆ SALE/MERGER
- ◆ DIVESTITURE/SPINOFF
- ◆ MANAGEMENT BUYOUT/ESOP
- ◆ MINORITY/MAJORITY RECAPITALIZATION

DIRECT INVESTMENTS

7

Veld Co-Invested or Acquired



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