

# SOFTWARE & TECHNOLOGY M&A PULSE

FIRST QUARTER 2023



# Q1'23

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## PMCF Technology Coverage Team

### ABOUT PMCF

PMCF is an investment bank focused exclusively on middle market transactions with professionals in Chicago, Detroit, Denver, and across the globe through Corporate Finance International™ affiliates. Offering a depth of advisory services, PMCF helps clients worldwide meet their sale, acquisition, financing, and strategic growth objectives. Additional information on PMCF can be found by visiting our website, [pmcf.com](https://pmcf.com).

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- Carve-outs & Divestitures
- Strategic Assessments
- Transaction Readiness Planning
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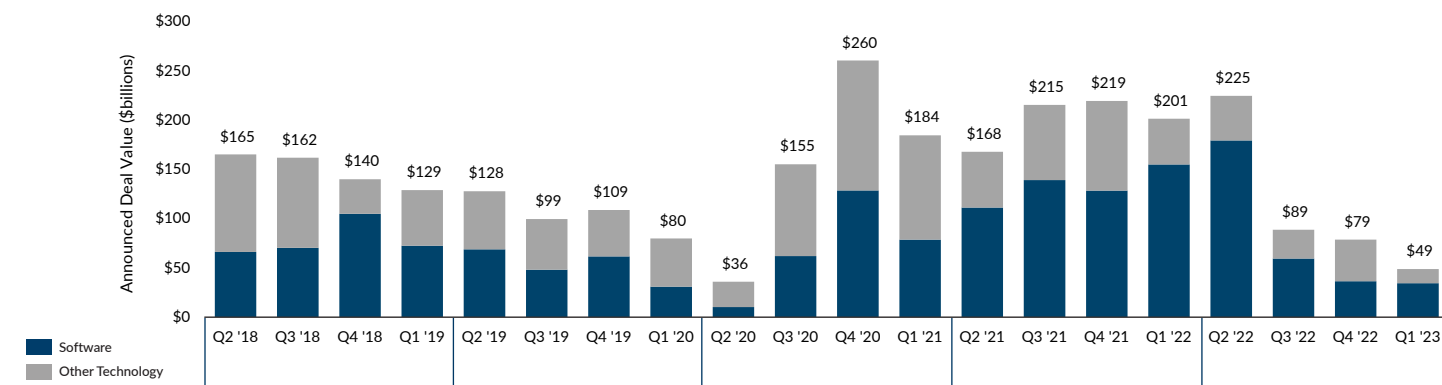
## PMCF's Software & Technology Practice

PMCF has the M&A advisory expertise needed to serve middle-market software, technology, and SaaS businesses. Led by an investment banker with 15 years of hands-on operational experience running tech companies and an additional 20 years of M&A advisory, our Software & Technology team engrains this unique perspective and know-how throughout each stage of the transaction process. PMCF's client-centric approach to M&A advisory, paired with an in-depth understanding of the sector dynamics through extensive market research, allows us to best position our clients' transactions and maximize outcomes.

Financial Technology	Supply Chain Technology	Workforce Management	Not-For-Profit Software
Vertical Software	Enterprise Software	Technology Enabled Services	ESG Software
Application Software	Cybersecurity	IT Services	BI/Data Analytics

# Q1 2023 Market Summary & Outlook

## GLOBAL SOFTWARE & TECHNOLOGY M&A VOLUME



SOFTWARE TRANSACTION COUNT BY DEAL SIZE																	
	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q2 '19	Q3 '19	Q4 '19	Q1 '20	Q2 '20	Q3 '20	Q4 '20	Q1 '21	Q2 '21	Q3 '21	Q4 '21	Q1 '22	Q2 '22
> \$1bn	20	15	18	12	8	10	9	9	2	10	21	21	21	27	17	15	20
\$500m-\$1bn	6	12	8	12	10	4	9	5	3	9	10	9	13	13	12	17	5
\$250m-\$500m	16	10	12	10	10	6	5	9	6	4	16	11	15	18	23	7	11
<\$250m	108	112	119	99	94	80	86	76	73	135	120	84	99	96	116	110	107
No Reported Value	400	343	331	403	419	485	417	415	324	467	510	410	471	566	595	734	692
<b>Total</b>	<b>550</b>	<b>492</b>	<b>488</b>	<b>536</b>	<b>541</b>	<b>585</b>	<b>526</b>	<b>514</b>	<b>408</b>	<b>625</b>	<b>677</b>	<b>535</b>	<b>619</b>	<b>720</b>	<b>763</b>	<b>883</b>	<b>835</b>

Source: 451 Research

## M&A MARKET DYNAMICS – SOFTWARE & TECHNOLOGY

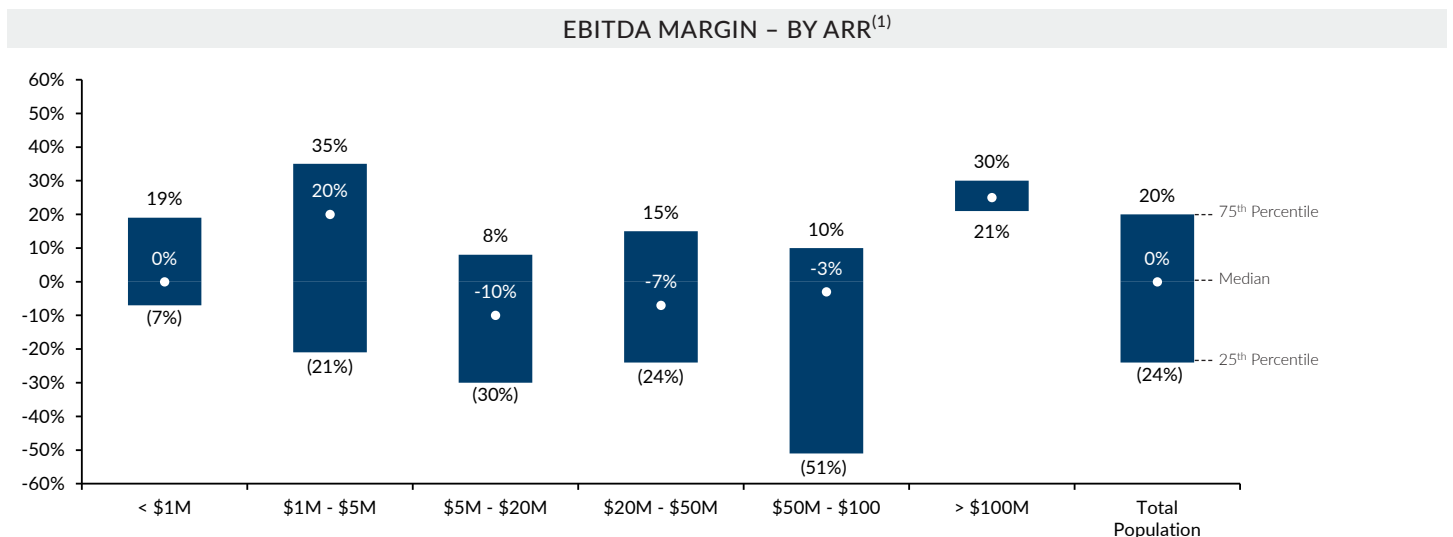
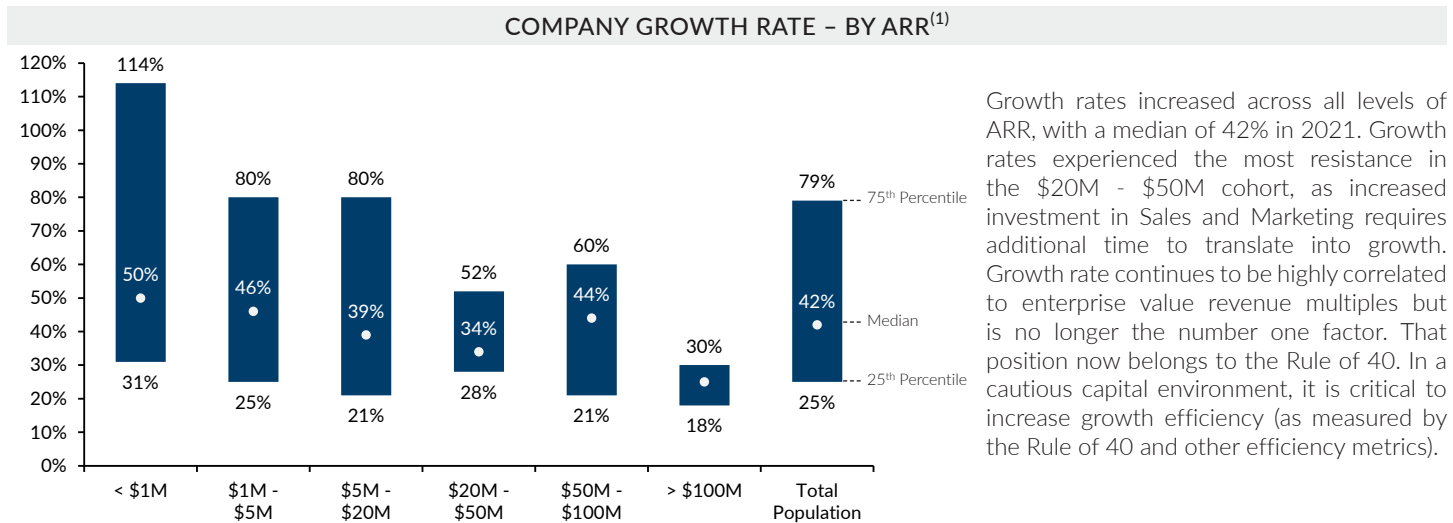
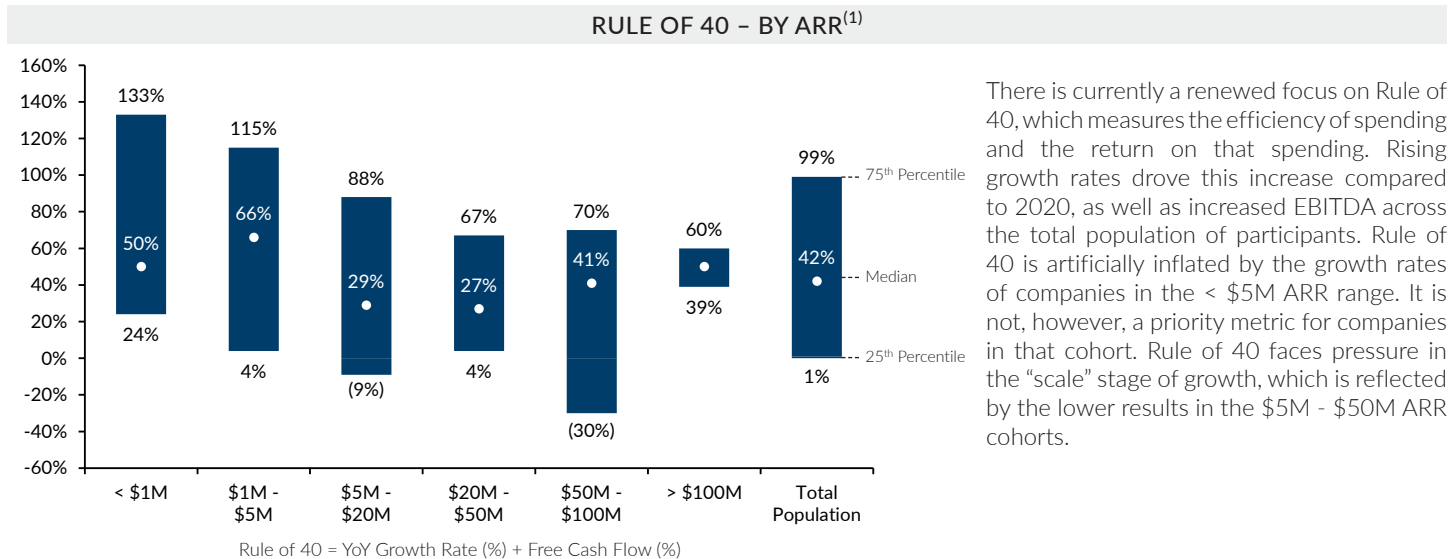
- The first quarter of 2023 saw a continued decline in deal value while deal volume increased in the software sector compared to the previous quarter, with 704 transactions in the quarter combining for \$34.2B in value.
- Compared to Q4 2022, Q1 2023 software deal volume was up 18.1% while total value was down 5.7%. This represents a significant reduction in average deal size, a product of fewer large deals combined with softer valuations.
- The market for tech M&A in 2023 remains unstable, especially in light of the recent banking turmoil. Previously surveyed industry constituents from 451 Research anticipated an uptick in deal activity, albeit at lower valuations. That is the trend that played out in Q1 2023, but the remainder of the year may be even more unpredictable as both buyers and lenders exhibit extra caution.

Featured Sectors - Deal Count	2019	2020	2021	2022	Q4'22	Q1'23	Q1'23 - Q4'22 Change
Workforce Management	427	385	546	753	159	181	14%
Supply Chain Technology	139	119	149	184	48	54	13%
Financial Technology	114	119	149	192	31	40	29%
Other Software	1,508	1,601	1,793	1,856	358	429	20%
<b>Total</b>	<b>2,188</b>	<b>2,224</b>	<b>2,637</b>	<b>2,985</b>	<b>596</b>	<b>704</b>	<b>18%</b>
Strategic	1,423	1,492	1,728	2,091	411	499	21%
Financial Buyer - Add-on	484	507	639	661	139	132	-5%
Financial Buyer - Platform	281	225	270	233	46	73	59%

Source: 451 Research

# 2022 B2B SaaS Benchmarks

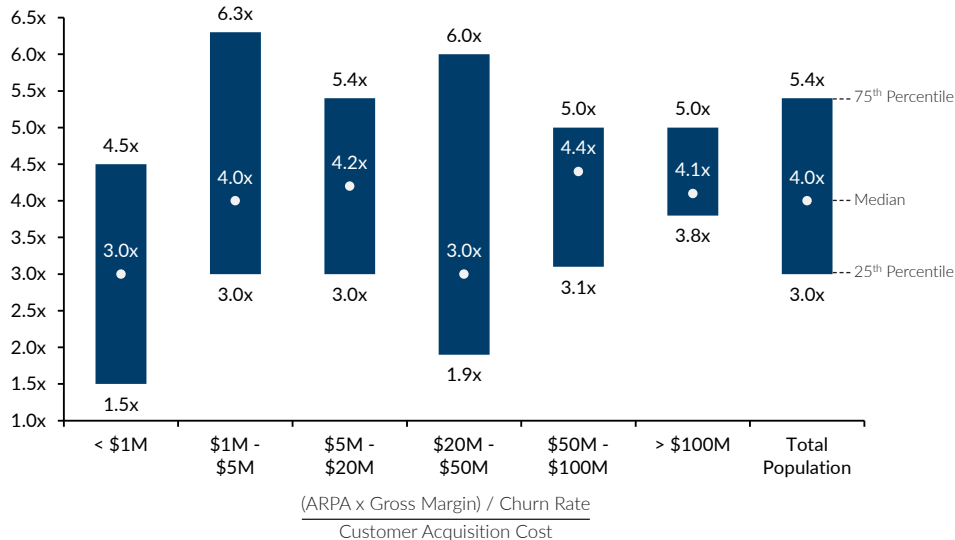
During the Summer of 2022, RevOps Squared partnered with various leading B2B SaaS vendors, CFO outsourcing companies, and advisory services firms to collect data from 878 private B2B SaaS companies. This data illustrates how different cohorts of SaaS companies perform compared to their peers.



Source: (1) RevOps Squared

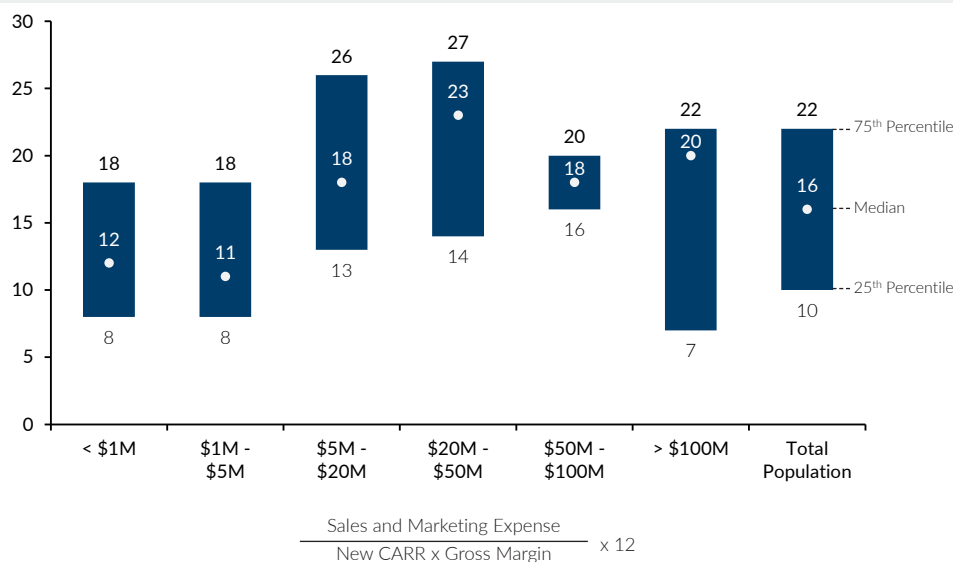
# 2022 B2B SaaS Benchmarks Cont.

CLTV: CAC RATIO - BY ARR<sup>(1)</sup>



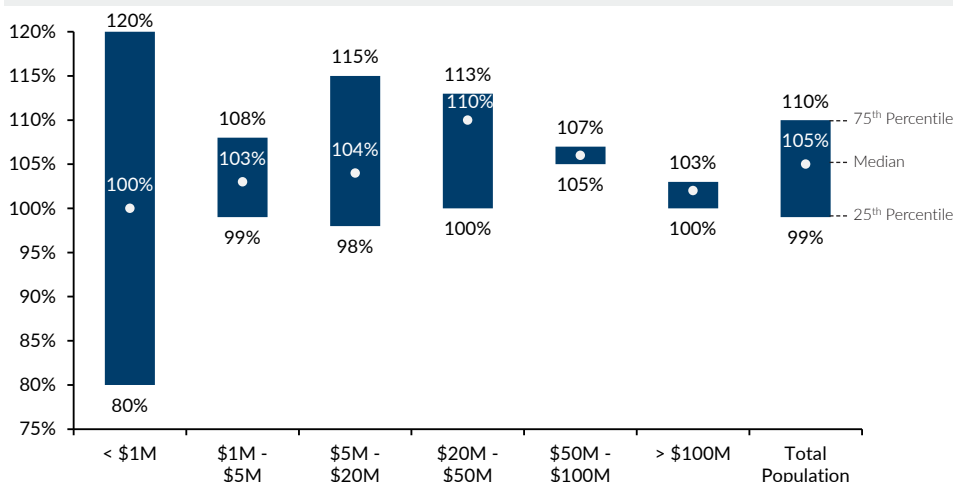
Over the past three years, the median benchmark for CLTV:CAC ratio across the total population has remained consistent between 4.0x – 4.2x. Neither company size nor Annual Contract Value are highly correlated to the CLTV:CAC Ratio. A key to this metric is that at least one to two agreement renewal cycles should be completed to establish a more reliable churn rate across renewal periods. This ratio is impacted by numerous factors, including Average Revenue Per Account, Average Customer Acquisition Cost, churn rate, and gross margin. Investors care not only about the ratio itself, but the leading variables influencing it.

CAC PAYBACK PERIOD - BY ARR (IN MONTHS)<sup>(1)</sup>



CAC Payback Period across the entire population improved to 16 months at median, representing a 16% improvement over the previous year's median of 19 months. CAC Payback Period is correlated to company size but has a higher correlation to Annual Contract Value. CAC Payback Period can fluctuate dramatically month-over-month in enterprise and commercial market segments if a reporting period includes outlier deal sizes (e.g., 3.0x average ACV). CAC Payback Period is best evaluated in conjunction with CAC Ratio, Gross Dollar Retention, and Net Dollar Retention for a more complete picture on acquiring, retaining, and expanding customer relationships.

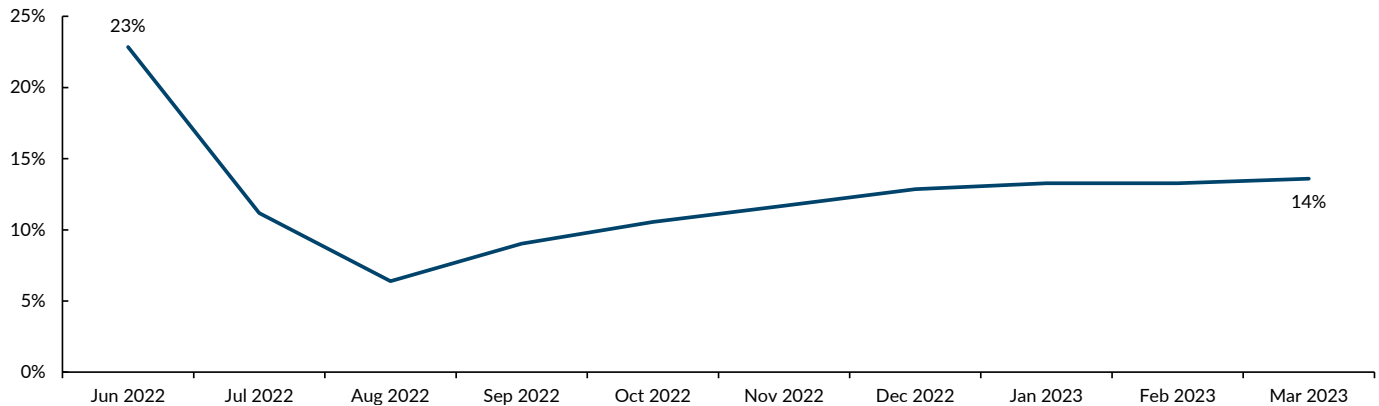
NET DOLLAR RETENTION RATE - BY ARR<sup>(1)</sup>



Net Dollar Retention (NDR) measures how much ARR is represented in a cohort of customers at the end of the current accounting period (where their agreement is available to renew) versus the same cohort of customer ARR from a previous period. NDR is not dramatically correlated to company size, as it is with other variables including Go-To-Market motion and pricing model. Compared to Gross Dollar Retention, which has remained flat for three consecutive years, median NDR has steadily increased each year and is a higher priority for many companies due to its stronger correlation to enterprise value.

# Transaction & Public Equity Market Valuations

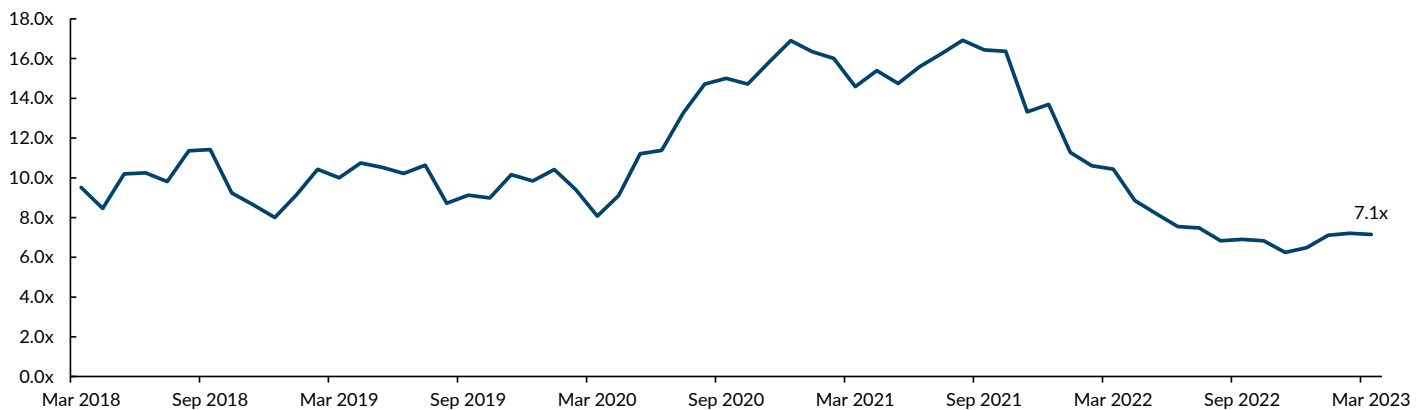
## PUBLIC SaaS MEDIAN RULE OF 40 INDEX



Source: SaaS Capital index of B2B publicly traded SaaS companies

The median Rule of 40 measure for publicly traded SaaS companies decreased sharply in July and August 2022 but has since climbed back to 14%, leading some within the industry to question what is an appropriate go-forward benchmark

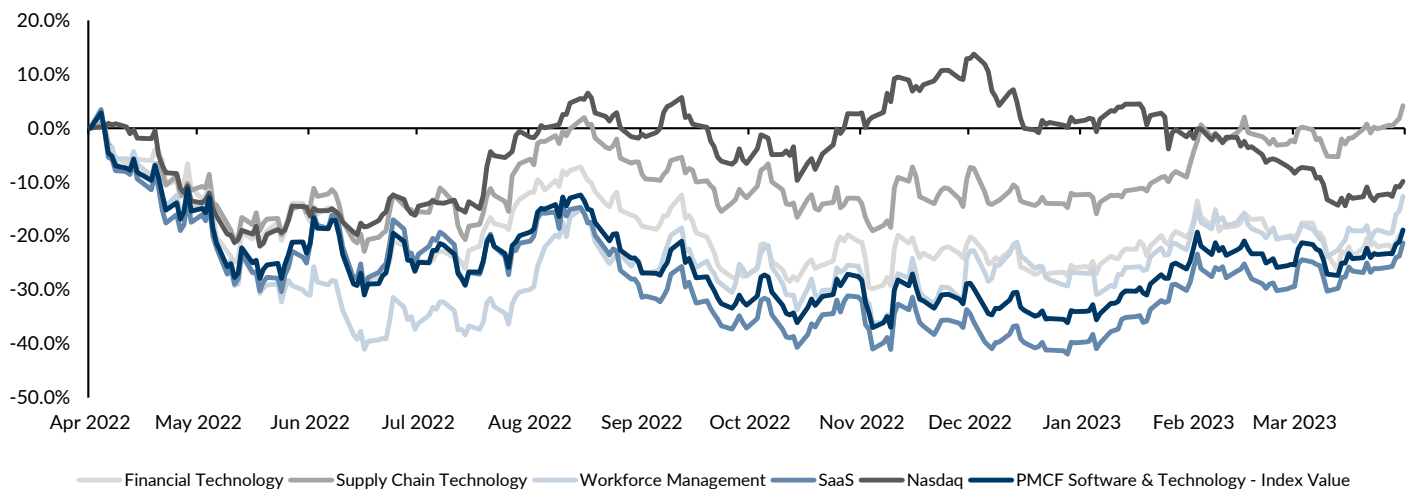
## PUBLIC SaaS MEDIAN ANNUAL RUN-RATE REVENUE (ARR) MULTIPLE



Source: SaaS Capital index of B2B publicly traded SaaS companies

Public SaaS valuations saw a slight uptick in Q1 2023 compared to the steady decline throughout 2022. The median ARR multiple is now 7.1x, and market participants are now wondering if this is a potential new steady state.

## PUBLIC EQUITY INDICES - MARKET VALUATION



Source: Capital IQ - PMCF Technology Index of 37 publicly traded SaaS companies

# Public Equity Market Valuations

\$ in Millions <sup>(3)</sup>

## PUBLIC COMPARABLES

Company Name	Headquarters Location	Market Cap. <sup>(1)</sup>	Enterprise Value <sup>(1)</sup>	TTM Revenue	TTM Gross Margin	TTM EBITDA Margin	Net Debt/ EBITDA	EV/ EBITDA <sup>(2)</sup>	EV/Revenue		
									NTM Q1 '23	TTM Q1 '23	TTM Q1 '22
Financial Technology											
Fiserv, Inc.	United States	\$70,997	\$93,125	\$17,737	54.9%	38.7%	3.1x	13.6x	5.2x	5.3x	5.3x
Adyen N.V.	Netherlands	49,126	42,260	9,550	10.6%	7.8%	(9.1x)	57.1x	22.6x	4.4x	7.7x
Global Payments Inc.	United States	27,761	40,725	8,976	58.3%	40.6%	3.5x	11.2x	4.7x	4.5x	5.7x
BILL Holdings, Inc.	United States	8,632	7,854	857	84.6%	(31.9%)	2.8x	(28.7x)	7.0x	9.2x	43.4x
Nuvei Corporation	Canada	6,078	5,847	843	79.7%	22.5%	(1.3x)	30.8x	4.7x	6.9x	13.4x
Shift4 Payments, Inc.	United States	4,326	5,448	1,994	23.6%	9.0%	5.5x	30.4x	2.0x	2.7x	2.7x
AvidXchange Holdings, Inc.	United States	1,556	1,245	316	62.7%	(16.8%)	5.9x	(23.5x)	3.4x	3.9x	4.6x
Repay Holdings Corporation	United States	581	1,011	279	76.8%	23.4%	6.1x	15.5x	3.6x	3.6x	7.3x
Paymentus Holdings, Inc.	United States	1,092	958	497	30.1%	1.3%	(21.1x)	149.9x	1.6x	1.9x	5.7x
Marqeta, Inc.	United States	2,461	849	748	42.8%	(27.5%)	7.8x	(4.1x)	0.9x	1.1x	7.5x
Median					56.6%	8.4%	3.3x	14.5x	4.1x	4.2x	6.5x
Supply Chain Management											
Manhattan Associates, Inc.	United States	\$9,678	\$9,472	\$767	53.3%	20.8%	(1.3x)	59.4x	11.4x	12.3x	12.4x
The Descartes Systems Group Inc.	Canada	6,838	6,573	486	76.7%	41.4%	(1.3x)	32.7x	11.9x	13.5x	14.1x
SPS Commerce, Inc.	United States	5,564	5,367	451	66.1%	22.0%	(2.0x)	54.0x	10.2x	11.9x	11.2x
Kinaxis Inc.	Canada	3,848	3,679	367	64.3%	12.2%	(3.8x)	82.1x	8.6x	10.0x	11.8x
E2open Parent Holdings, Inc.	United States	1,759	3,018	630	66.1%	28.3%	5.6x	16.9x	4.3x	4.8x	8.9x
American Software, Inc.	United States	426	322	128	60.6%	12.0%	(6.7x)	20.9x	2.5x	2.5x	4.8x
Tecsys Inc.	Canada	295	278	109	41.7%	3.2%	(4.8x)	79.2x	2.4x	2.5x	3.4x
Median					64.3%	20.8%	(2.0x)	54.0x	8.6x	10.0x	11.2x
Workforce Mangement											
Workday, Inc.	United States	\$53,497	\$50,625	\$6,216	72.4%	2.3%	(20.2x)	356.1x	7.0x	8.1x	11.4x
Ceridian HCM Holding Inc.	United States	11,324	12,147	1,246	44.6%	4.5%	14.6x	215.7x	8.1x	9.7x	10.3x
Paylocity Holding Corporation	United States	11,086	11,040	1,001	67.4%	12.0%	(0.4x)	92.0x	8.6x	11.0x	14.3x
Smartsheet Inc.	United States	6,335	5,945	767	78.4%	(27.6%)	1.8x	(28.1x)	6.3x	7.8x	12.1x
Paycor HCM, Inc.	United States	4,679	4,636	485	64.8%	(3.7%)	2.4x	(261.0x)	7.8x	9.6x	12.3x
Asana, Inc.	United States	4,530	4,272	547	89.8%	(70.7%)	0.7x	(11.0x)	6.6x	7.8x	19.8x
Asure Software, Inc.	United States	294	320	96	65.2%	7.7%	3.5x	43.3x	3.0x	3.3x	1.8x
Median					67.4%	2.3%	1.8x	43.3x	7.0x	8.1x	12.1x
SaaS											
Salesforce, Inc.	United States	\$199,780	\$202,151	\$31,352	73.3%	17.3%	0.4x	37.2x	5.8x	6.4x	8.1x
ServiceNow, Inc.	United States	94,338	92,290	7,245	78.3%	10.9%	(2.6x)	117.1x	10.4x	12.7x	17.6x
Datadog, Inc.	United States	23,243	22,197	1,675	79.3%	(1.8%)	34.0x	(720.3x)	10.6x	13.3x	39.2x
HubSpot, Inc.	United States	21,177	20,571	1,731	81.8%	(4.8%)	7.3x	(248.0x)	10.0x	11.9x	15.6x
Splunk Inc.	United States	15,868	17,972	3,654	77.7%	(3.4%)	(16.7x)	(142.6x)	4.6x	4.9x	9.6x
Zoom Video Communications, Inc.	United States	21,697	16,381	4,393	74.9%	7.5%	(16.2x)	50.0x	3.7x	3.7x	7.3x
Okta, Inc.	United States	13,909	13,696	1,858	70.7%	(35.6%)	0.3x	(20.7x)	6.3x	7.4x	17.8x
Twilio Inc.	United States	12,478	9,562	3,826	47.4%	(19.6%)	3.9x	(12.8x)	2.2x	2.5x	8.3x
Pure Storage, Inc.	United States	7,719	6,887	2,753	68.9%	6.7%	(4.5x)	37.4x	2.3x	2.5x	4.5x
Workiva Inc.	United States	5,438	5,380	538	75.9%	(13.5%)	0.8x	(74.0x)	8.6x	10.0x	12.7x
Five9, Inc.	United States	5,144	5,319	779	52.9%	(3.6%)	(6.3x)	(191.7x)	5.9x	6.8x	12.0x
New Relic, Inc.	United States	5,186	4,956	889	71.5%	(17.9%)	1.6x	(31.1x)	4.8x	5.6x	5.4x
Freshworks Inc.	United States	4,458	3,345	498	80.8%	(44.8%)	5.0x	(15.0x)	5.7x	6.7x	9.2x
Median					74.9%	(3.6%)	0.4x	(20.7x)	5.8x	6.7x	9.6x
Median									5.8x	6.7x	9.6x
Mean									6.4x	6.8x	11.3x

(1) Market capitalizations and total enterprise values as of March 31, 2023; income statement and balance sheet data as of last period reported

(2) Multiple of EBITDA based on EBITDA inclusive of equity income from affiliates

(3) Currency conversions assume historical rate

Source: Capital IQ

# Market Commentary

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*One of the most significant developments of the quarter was the sudden collapse of Silicon Valley Bank and the resulting disruption throughout the banking sector. The full extent of the fallout remains to be seen. Captured below is what some within the industry are saying.*

"The Fed is very explicitly trying to tighten financial conditions...There's no reason that shouldn't work through banks too, and of course it will start at the banks that are extensions of the frothiest markets."

**Steven Kelly**, Researcher at Yale University

"Whenever there are earthquake tremors, there's ground for concern about more tremors to come...There quite likely will be some implication of all of this for levels of lending and therefore, for the American and global economies. Some of that will come from banks being alarmed, some of it may come from regulatory tightening...Many regional banks are not caught up in these difficulties, and regional banks are only a portion of the total banking system...So, I think it's too early to judge just how much of a contractionary impact these events will have."

**Lawrence Summers**, President Emeritus and Professor at Harvard University

"If this is limited to a relatively few number of banks and the underlying problem is not innate in the economy like it was during the global financial crisis, then I don't think there is a strong case for the Fed to stop hiking."

**William Dudley**, Former President of the New York Federal Reserve Bank (2009-2018)

"Ultimately, financial conditions will tighten further, either via additional central-bank tightening as they try to tame inflation or via a deterioration in the current banking crisis."

**Seema Shah**, Chief Global Strategist at Principal Asset Management

"The issue was really not about those specific banks, but about the risk of a contagion to other banks and to the financial markets more broadly."

**Jerome Powell**, Chairman of the Federal Reserve



# Software & Technology M&A Activity

## SELECT SOFTWARE & TECHNOLOGY TRANSACTIONS

\$ in Millions

Announced Date	Target	Buyer	Sector	Type	Implied EV	EV/TTM Revenue
Mar-23	Sentric Music Limited	BelieveSA	Application Software	Strategic	51	
Mar-23	Berkshire Grey Inc.	SoftBank Group Corp.	Supply Chain Technology	Private Equity	306	4.0x
Mar-23	Costar Technologies Inc.	Intelligent Digital Integrated Security Co., Ltd.	Cybersecurity	Strategic	23	0.4x
Mar-23	Dropified LLC	Hunnee Commerce LLC	Supply Chain Technology	Strategic	30	
Mar-23	Nightdive Studios	Atari SA	Application Software	Strategic	10	3.3x
Mar-23	Bricknode Holding AB	Huddlestock Fintech AS	Financial Technology	Strategic	9	
Mar-23	IPKeys Power Partners Inc.	Parsons Corporation	Cybersecurity	Strategic	43	
Mar-23	Augmenta Agriculture Technologies	CNH Industrial NV	BI / Data Analytics	Strategic	110	
Mar-23	RSI Logistics, Inc.	Trinity Industries Inc.	Supply Chain Technology	Strategic	70	
Mar-23	Sec Watchdog Ltd.	Matrix SCM Limited [Bridgepoint Group Plc]	Workforce Management	Private Equity	17	0.5x
Mar-23	Axis Security Inc.	Hewlett Packard Enterprise Co.	Cybersecurity	Strategic	500	62.5x
Mar-23	LogPoint A/S [Evolution Equity Partners]	Summa Equity AB	Cybersecurity	Private Equity	150	6.0x
Mar-23	My Personal Health Record Express Inc.	agilon health, inc.	Application Software	Strategic	45	
Feb-23	PayComet, S.L.U.	Nexi SpA	Financial Technology	Strategic	369	
Feb-23	Brady Corporation	SGI Matrix LLC	Cybersecurity	Strategic	9	0.8x
Feb-23	Valtix, Inc.	Cisco Systems Inc.	Cybersecurity	Strategic	125	25.0x
Feb-23	Topfloor Systems Limited	Grafenia plc	Application Software	Strategic	5	3.2x
Feb-23	Blume Global, Inc. [Apollo Global Management]	WiseTech Global Limited	Supply Chain Technology	Strategic	414	
Feb-23	GeoConex Corporation	Zetron Inc.	Application Software	Strategic	8	
Feb-23	Foundant Technologies, Inc.	L Squared Capital Partners	Application Software	Private Equity	125	5.7x
Feb-23	Blue Cow Software, Inc.	PDI Technologies, Inc. [TA Associates Management, L.P.]	Application Software	Private Equity	41	
Feb-23	GroundCloud	The Descartes Systems Group Inc.	Supply Chain Technology	Strategic	138	
Feb-23	Cushon Money Limited	NatWest Group plc	Financial Technology	Strategic	204	
Feb-23	Bio-Tech Medical Software, Inc.	Alleaves Incorporated	Supply Chain Technology	Strategic	30	
Feb-23	Global Payments Gaming Services, Inc.	Parthenon Capital Partners	Financial Technology	Private Equity	415	
Feb-23	ImageTrend Inc.	Welsh Carson Anderson & Stowe LP	Workforce Management	Private Equity	400	8.9x
Feb-23	Growens SpA	TeamSystem S.p.A. [Hellman & Friedman]	Workforce Management	Private Equity	77	4.1x
Feb-23	Thermocable	Halma plc	Cybersecurity	Strategic	27	3.3x
Jan-23	Nest Egg Investments	GoLogiq, Inc.	Application Software	Strategic	30	
Jan-23	Power Finance Inc.	Marqeta Inc.	Financial Technology	Strategic	149	
Jan-23	Envase Inc. [The Firmament Group]	WiseTech Global Limited	Supply Chain Technology	Strategic	230	
Jan-23	Zift Solutions, Inc.	Investcorp Holdings B.S.C.	Workforce Management	Private Equity	70	
Jan-23	Mobica Limited	Cognizant Technology Solutions Corporation	Application Software	Strategic	335	
Jan-23	Meltwater BV	Altor Equity Partners AB / Marlin Equity Partners LLC	Application Software	Private Equity	587	1.4x
Jan-23	S&P Global Inc. (Engineering Solutions Business)	KKR & Co. Inc.	Application Software	Private Equity	975	
Jan-23	Wall Street VPN	Regal Investments Ltd.	BI / Data Analytics	Private Equity	12	
Jan-23	Winterlight Labs Inc.	Cambridge Cognition Holding PLC	BI / Data Analytics	Strategic	9	
Jan-23	InstaDeep Ltd	BioNTech SE	BI / Data Analytics	Strategic	442	
Jan-23	Verogen, Inc.	Qiagen N.V.	BI / Data Analytics	Strategic	150	
Jan-23	Supply Vision, LLC	The Descartes Systems Group Inc.	Supply Chain Technology	Strategic	12	
Jan-23	Syrinx Limited	Badger Meter, Inc.	Application Software	Strategic	18	
Jan-23	Adara Inc.	RateGain Travel Technologies Limited	Application Software	Strategic	16	
Jan-23	Electronic Education Documentation System, LLC	HealthStream Inc.	Application Software	Strategic	7	
Jan-23	GammaRey, Inc.	GoLogiq, Inc.	Financial Technology	Strategic	320	
Jan-23	MarkLogic Corporation [Vector Capital]	Progress Software Corporation	BI / Data Analytics	Strategic	355	
Jan-23	Smart Employee Benefits Inc.	Co-operators Financial Services Limited	Workforce Management	Strategic	68	1.3x
Median					\$70	3.3x
Mean					\$164	8.7x

Source: 451 Research, company websites and PMCF proprietary research

# Software & Technology M&A Activity (Cont.)

## Platform Acquisition

L Squared Capital Partners acquires Foundant Technologies

On February 15, L Squared Capital Partners announced a significant growth investment in Bozeman-based Foundant Technologies, a leading provider of mission-critical software solutions in the philanthropic space. Foundant's suite of software offerings simplifies philanthropic operations for grantmakers, scholarship providers, community foundations, and nonprofit organizations. The deal was estimated at \$125M, representing a 5.7x LTM revenue multiple.

## Strategic Acquisition

The Descartes Systems Group acquires GroundCloud

On February 14, The Descartes Systems Group acquired Minneapolis-based GroundCloud, a cloud-based provider of final-mile carrier solutions and road safety compliance tools. GroundCloud is a leader in final-mile logistics automation by combining operations, safety, and compliance into an integrated platform. The acquisition expands Descartes' final-mile capabilities with plans to utilize GroundCloud's solutions to a broader customer base. The all-cash deal was for \$138M, with a potential earnout for an additional \$80M.

## Platform Acquisition

Parthenon Capital acquires Global Payments Gaming Solutions

On February 13, Parthenon Capital announced the acquisition of the gaming division of Atlanta-based Global Payments Inc., which was subsequently transitioned from Global Payments Gaming Solutions into stand-alone company Pavilion Payments. The new, independent company will continue to offer its full suite of payment solutions for the gaming sector, with end-to-end options that enable flexible, secure, and seamless funding across locations, devices, and channels. The transaction was valued at \$415M.

## Strategic Acquisition

Progress Software Corporation acquires MarkLogic

On February 7, Progress Software Corporation acquired San Francisco-based MarkLogic from Vector Capital. MarkLogic is a leader in complex data and semantic metadata management, and extends Progress' capabilities beyond structured data. The acquisition expands offerings for Progress' existing customers, while granting MarkLogic's customers access to a global leader with a proven track record in software infrastructure. The deal was for \$355M and represents an estimated 3.6x NTM revenue multiple.

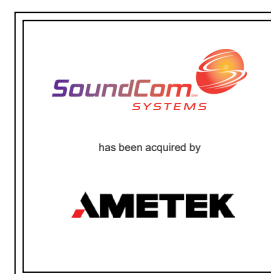
Sources: Company Press Releases, 451 Research

# PMCF's Unique Approach to M&A Advisory

PMCF's M&A advisory and investment banking services are designed to provide company shareholders with a trusted advisor to oversee all transaction related aspects of a company sale or strategic acquisition. Our service levels, industry expertise in technology, and approach to managing transactions goes well beyond a typical investment banker. See below for some examples of our differentiation:

- Differentiated approach via senior banker leadership and direct involvement through every step of the transaction providing a consistent and highly experienced point of contact
- Proven positioning and marketing processes to obtain premium valuations in company sales
- Tailored sale process provides for extensive upfront preparation including a detailed company review, identification of any potential issues in advance, and buyer evaluation/diligence ensuring the right fit
- Direct access and credibility with many strategic acquirers and private equity groups
- Unique sale planning approach that helps shareholders best prepare for a future sale whether its six months or several years
- Long-term and client-first approach allows PMCF to provide unbiased feedback

## SELECT PMCF TECHNOLOGY TRANSACTIONS



## SELECT CORPORATE FINANCE INTERNATIONAL TRANSACTIONS

PMCF is a founding member of Corporate Finance International ("CFI"), an international network of over 250 professionals across 18 countries. The transactions below represent closed transactions by affiliates in CFI.



*Please let us know if you would like to set up a confidential call or meeting to discuss transaction planning and execution.*

# What is a Strategic Assessment and Why is it Important?

A Strategic Assessment 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 Strategic Assessment allows shareholders time to fully assess the business and implement changes and align strategies with the value-creation objectives of shareholders.



## SIGNIFICANT INDUSTRY EXPERTISE AND RESOURCES

Founded in 1995, PMCF has spent 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 your company. Our affiliation with Plante Moran provides us access to transaction tax experts to provide insight into structure planning considerations. Together, our team and the Strategic Assessment 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

*As an investment in your company, PMCF will complete a complimentary Strategic Assessment.  
For additional information, please visit [pmcf.com](https://pmcf.com)*

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## Recent PMCF Awards



2021 M&A ATLAS AWARD WINNER – USA MIDDLE MARKETS  
*ENERGY PRODUCTS & SERVICES DEAL OF THE YEAR*



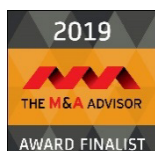
2020 M&A ATLAS AWARD WINNER – AMERICAS  
*PLASTICS & PACKAGING DEAL OF THE YEAR*



2020 M&A ATLAS AWARD WINNER – AMERICAS  
*INDUSTRIALS BOUTIQUE INVESTMENT BANK OF THE YEAR*



2019 MiBiz DEAL OF THE YEAR WINNER  
*MANUFACTURING DEAL OF THE YEAR*



2019 M&A ADVISORS AWARD FINALIST  
*BOUTIQUE INVESTMENT BANK OF THE YEAR*

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For more information, check out our new website, where you can access the electronic version of this report, sign up for future emails, read our latest industry reports, and more!

