How successfully leveraging the elements of
Mergers & Acquisitions
will improve your transaction in every way

MAKE YOUR ACQUISITION A CAUSE

ALIGNMT

MERGERS & ACQUISITIONS
FIRST THINGS FIRST

Maximizing Shareholder Value Through A Professionally Managed M&A Process

Be Acquired. Don't Be For Sale

FORWARD

We are ALIGNMT – a leading provider of business consulting, Mergers & Acquisitions and investor relations. We are experts in strategy, finance and operations and are passionate about helping businesses succeed. Our clients rely on ALIGNMT to assess risk, support financial, investment and marketing decisions, and improve business performance in their daily operations.

We have the opportunity to drive innovation, cultivate insights and build unique solutions for our clients. We take pride in our strengths and believe in cultivating an atmosphere that supports and values our greatest asset: talent.

ALIGNMT LLC is not a broker/dealer, Finra or SIPC member firm and does not, in any way, shape or form, engage in securities transactions...period. ALIGNMT complies in every way with the SEC's M&A Broker rules, which can be found here, when engaging in Mergers & Acquisitions related work.

CONTENTS

Your Transaction

Your transaction is important to you. It is equally important to us. You face unique challenges—challenges that require specialized experience, senior level attention, and proven judgment.

Our Expertise

ALIGNMT professionals assist owners of privately held companies in the sale of their businesses, and work with large private and public corporations in negotiating acquisitions and divestitures

MAKE YOUR ACQUISITION A CAUSE

Creating Opportunities To Be Acquired at Maximum Value

Is the future more motivating than the past?

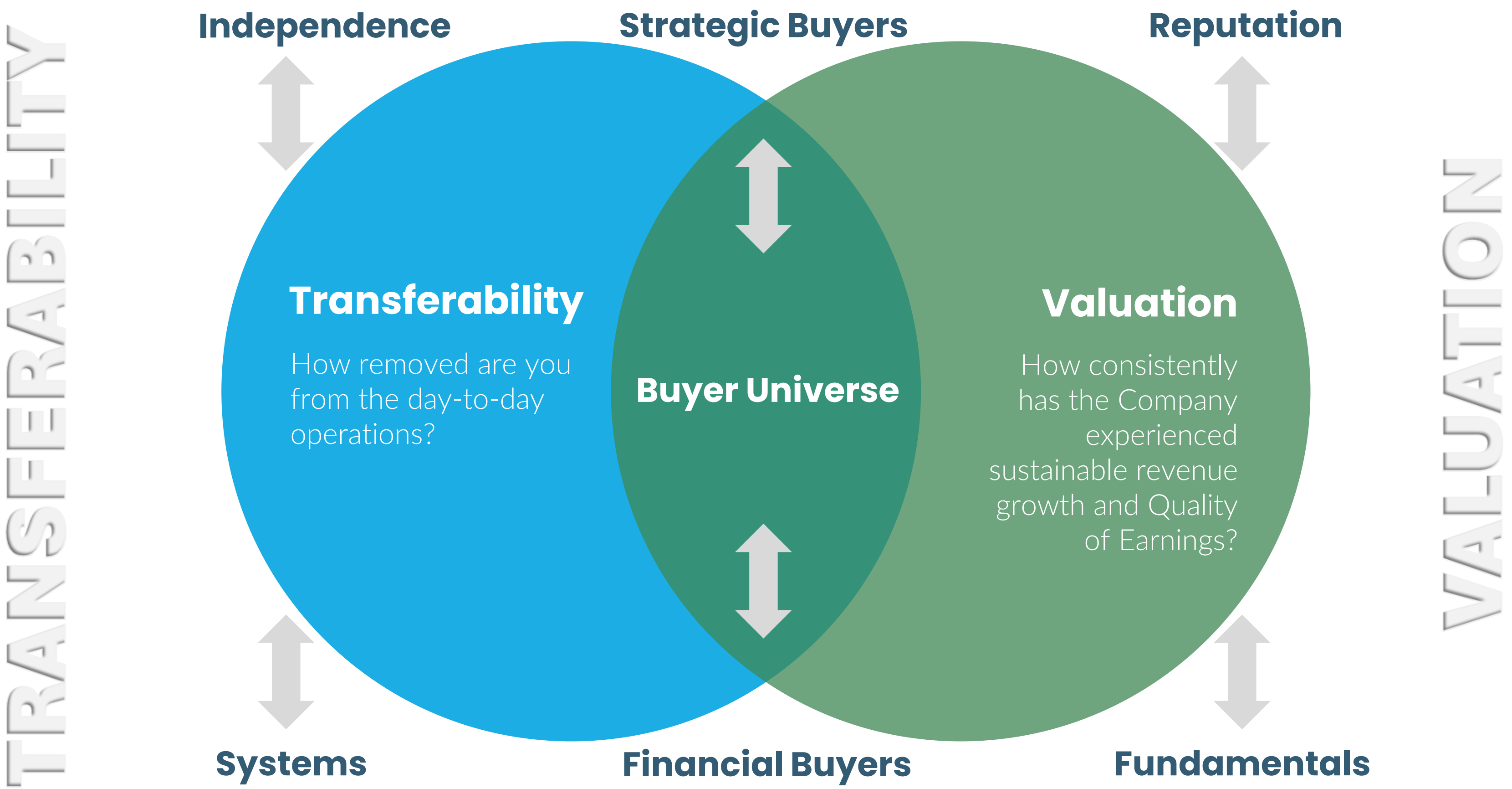
WHAT IS YOUR BEST OUTCOME?

- What is the maximum value you can achieve in the sale of your company?
- Who is the buyer that will make this happen for you?
- How will you get there from where you are today?
- What obstacles will you face when running an optimized sell-side M&A process?
- Can you present a probable path to the next generation of your Company under new ownership, including revenue & earnings?

FIRST THINGS FIRST

The amount of overlap covering the **transferability** of a company and the **valuation expectations** of its seller, the larger the prospective buyer universe and likelihood of strong valuation.

Who is the **best buyer** for your company?



SCALE OR SCOPE

The most fundamental acquisition rationale

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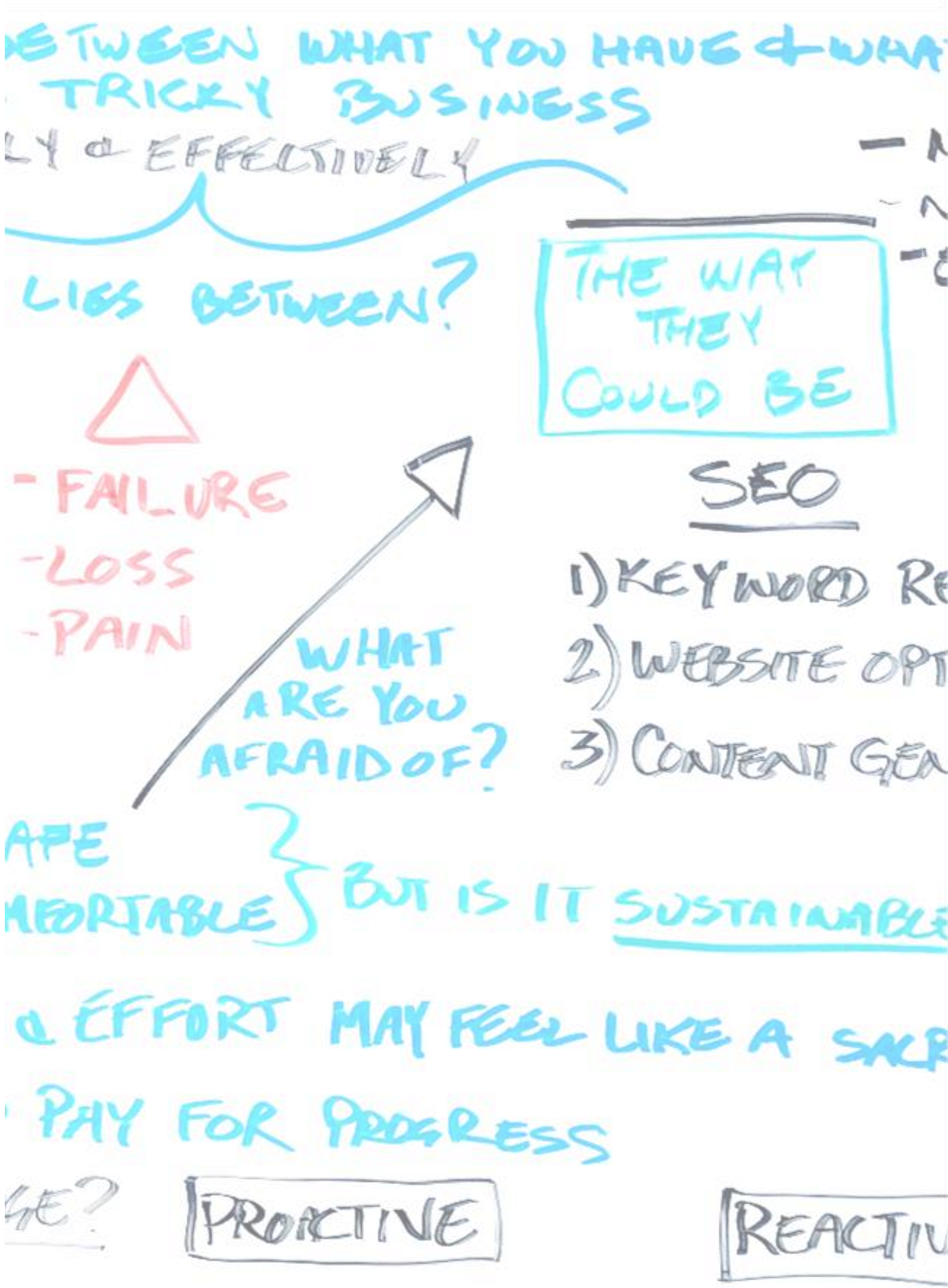
SITUATION OVERVIEW

- You've been approached by a prospective buyer for your business
- You're not sure what this means
- Sounds interesting and the timing could fit your life plans
- What are your goals for the company, and for yourself?
- What is your company's unique value proposition and market position?
- Let's look at M&A market conditions in the broad market and in your company's sector to ascertain characteristics of an optimal buyer
- Let's discuss M&A sale process documents, milestones and timeline
- Let's explore strategies to maximize the value of your business while maintaining confidentiality and avoiding operational disruptions
- What questions do you have about the process, market, etc.?



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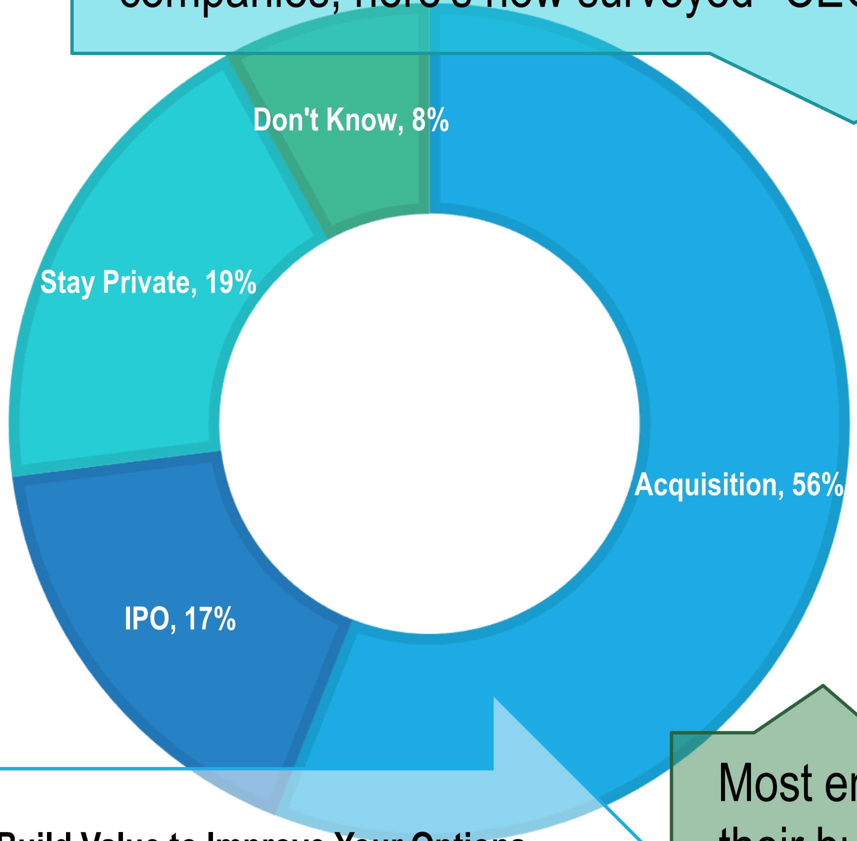
When asked what their long-term goals were for their companies, here's how surveyed[1] CEOs responded



Build Value to Improve Your Options

Most envision selling their business as the priority transition goal

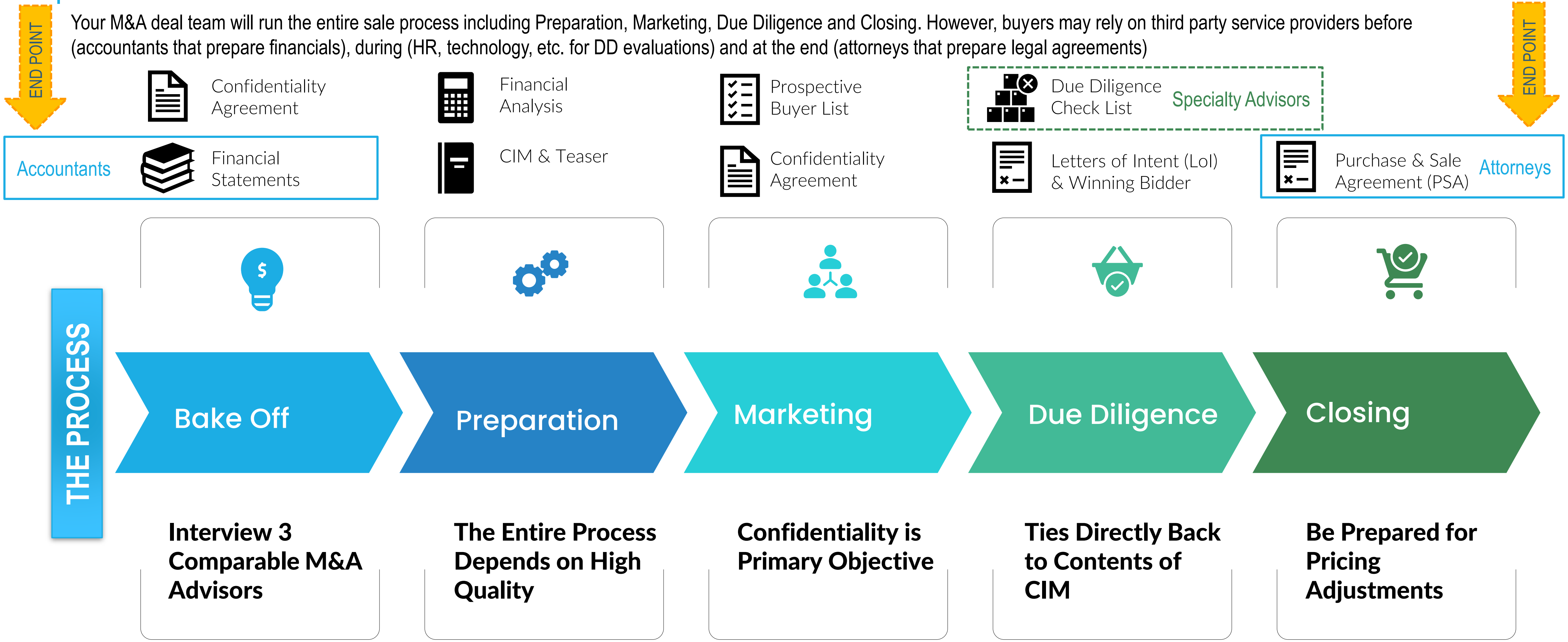
EXIT STRATEGY

WHAT'S THE MOST REALISTIC LONG-TERM GOAL FOR YOUR COMPANY?

1. Source: Business Insider Survey

THE M&A PROCESS & WHO'S INVOLVED

Your M&A deal team will run the entire sale process including Preparation, Marketing, Due Diligence and Closing. However, buyers may rely on third party service providers before (accountants that prepare financials), during (HR, technology, etc. for DD evaluations) and at the end (attorneys that prepare legal agreements)



STRATEGIC ALTERNATIVES CREATE VALUE

Think about it. Does **building** a business always make more sense than **buying** it?

To reach your goals, you have to take risks, develop constructive routines and make time to listen, learn and reflect

Goals

Creating relevant, viable options means you have different paths to take into the future, all with different risks and rewards

Options

Is your top priority to be acquired?

Awareness changes everything

Priorities

WHAT MAKES A STRONG ACQUISITION TARGET? THE FUTURE

Products / Services

- Proprietary
- Competitive
- Defensible
- Evolving

Market Environment

- Growing
- Competitive
- Demand Driven
- Significant

Organization

- Passionate
- Talented
- Organized
- Relevant

MARKET ENVIRONMENT

Understanding current market trends enables us to ascertain:

- M&A target characteristics
- Buyer appetites
- Valuation metrics
- Transaction opportunities

WHAT TO LOOK FOR IN 2026

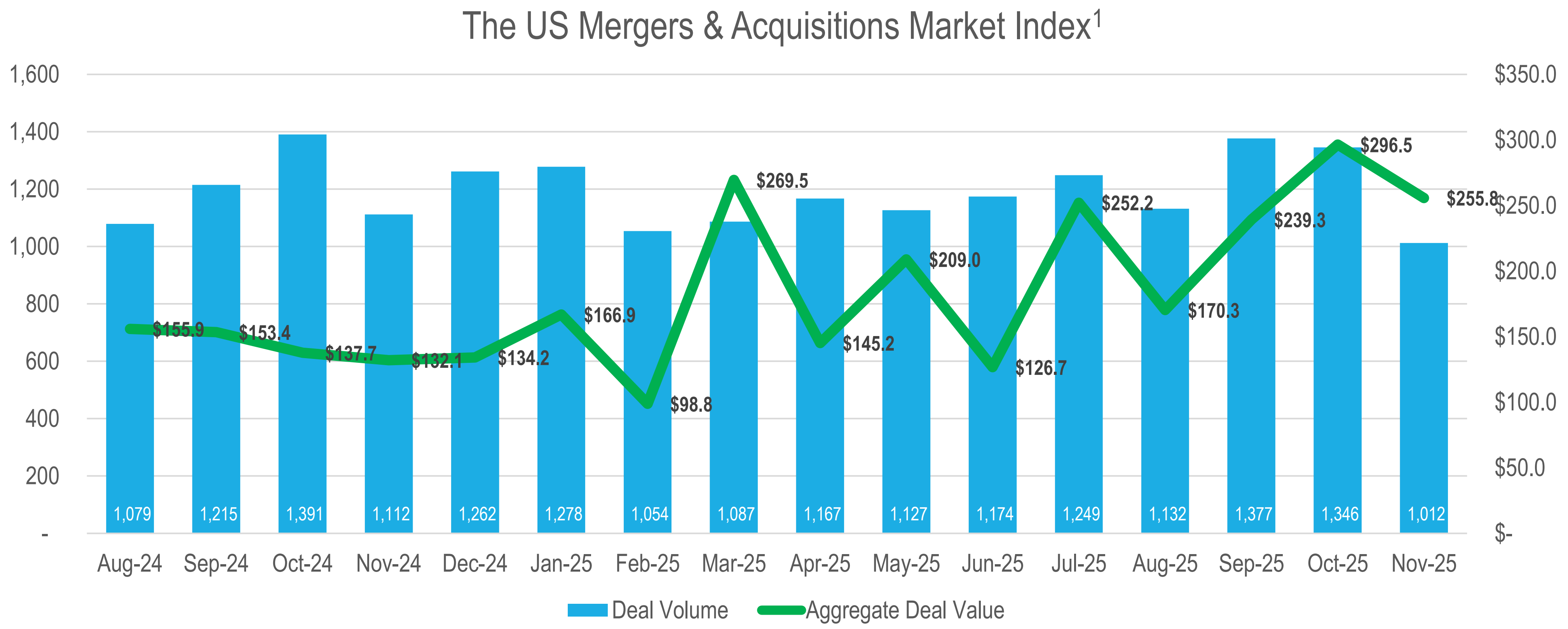
- **Continued Elevated Deal Activity:** The thesis for 2026 is not merely one of recovery, but of structural transformation. While the macroeconomic backdrop remains complex—balancing the "soft landing" of inflation against the "stagflationary" risks of new tariff regimes—the mechanisms facilitating dealmaking have improved significantly.

- **Macroeconomic and Monetary Framework:** The 2026 dealmaking environment is underpinned by a shifting monetary framework that, while broadly supportive, requires careful navigation of lingering inflationary pressures and growth dynamics. The stabilization of interest rates acts as the primary catalyst, unlocking the leveraged finance markets that fuel private equity activity.

- **Interest Rate Stabilization and the Cost of Capital:** The single most impactful macroeconomic variable influencing M&A volume is the cost of acquisition financing. Following the aggressive hiking cycle that suppressed deal volumes in 2023 and 2024, the Federal Reserve is charting a course toward normalization. Current "dot plot" projections and futures markets indicate a steady easing path, with the Federal Funds Rate expected to decline to a range of 3.125% to 3.4% by the end of 2026.

- **Capital Dynamics—The Buyer Universe:** The 2026 market is characterized by a diverse and heavily capitalized buyer universe. However, the behavior of these buyers is shifting, with new entrants like Sovereign Wealth Funds disrupting traditional Private Equity dynamics.

M&A ACTIVITY: THE BIG PICTURE



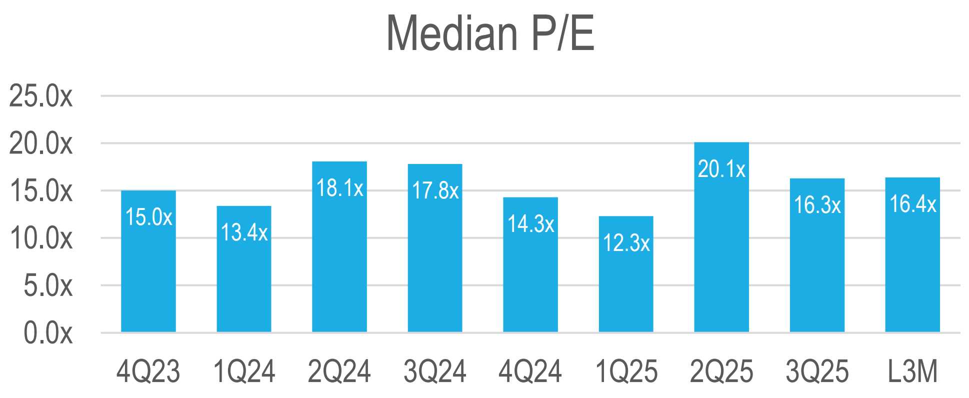
1. Source: FactSet Flashwire US Monthly, December 2024

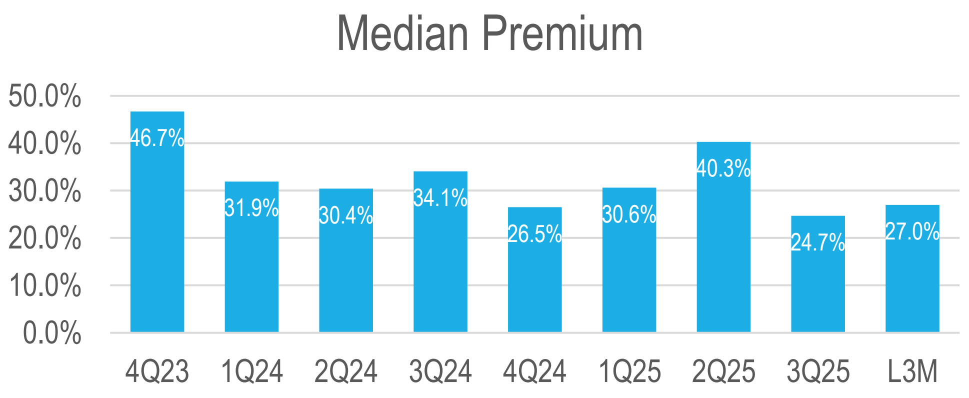
YEAR OVER YEAR M&A COMPARISON

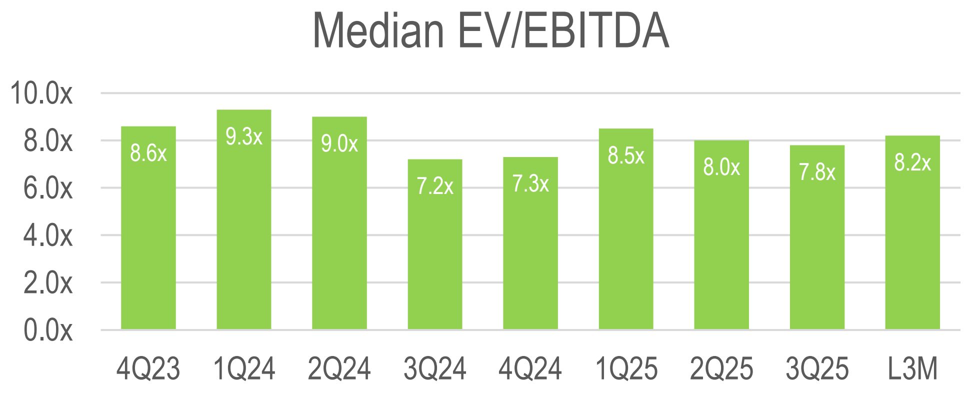
	Number of Deals			Aggregate Transaction Value ($Bil)			
	12 Months Ended			12 Months Ended			
Deal Size	11/30/25	11/30/24	Change	11/30/25	11/30/24	Change	Ave. P/E
$1 Billion +	449	368	22.0%	$1,960.5	$1,392.0	40.8%	27.7
$500M to $999.9M	248	245	1.2%	169.4	175.8	-3.6%	21.5
$250M to $499.9M	286	285	0.4%	99.7	99.6	0.2%	23.4
$100M to $249.9M	495	435	13.8%	79.3	70.0	13.2%	21.8
$50M to $99.9M	422	397	6.3%	30.2	28.3	6.4%	17.7
$25M to $49.9M	385	448	-14.1%	13.8	15.8	-12.9%	15.1
$10M to $24.9M	488	507	-3.7%	7.9	8.3	-3.9%	19.9
Under $10M	1,169	1,229	-4.9%	3.5	3.8	-9.4%	3.1
Undisclosed	10,323	10,600	-2.6%	N/A	N/A	N/A	N/A
Total	**14,265**	**14,514**	**-1.7%**	**$2,364.3**	**$1,793.7**	**31.8%**	**21.9**

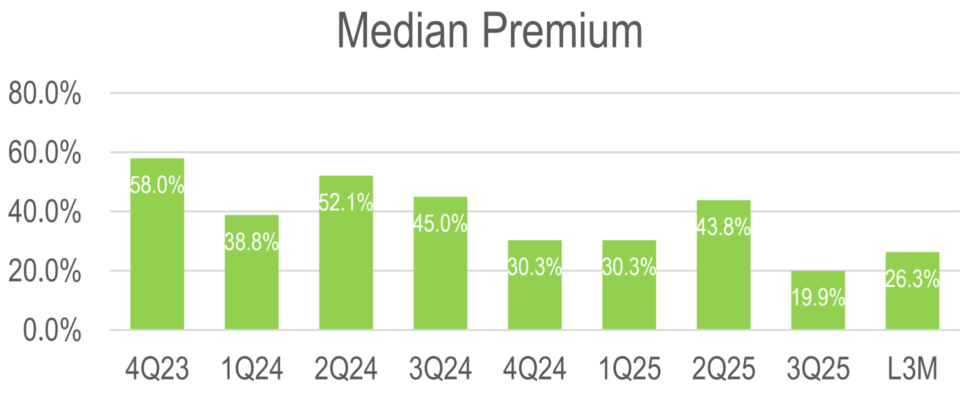
1. Source: FactSet Flashwire US Monthly, December 2024

VALUATION TRENDS









1. Source: FactSet Flashwire US Monthly, December 2024

TRANSFORMATIONAL TRENDS

- **Ensure corporate strategy is relevant**—Given economic uncertainty, it may make sense to consider strategy now.
- **Consider organic capacity—**If your strategy has shifted or should shift, companies must assess whether they have the assets and capabilities to effectively change direction organically. This includes an assessment of talent, intangible assets and time. If organic change is likely to be slow, a deal could dramatically speed up the process.
- **Prepare an Alignment Map**—Make this a regular part of your business strategy process – it is particularly important when considering a company's ability to execute on its strategy. An Alignment Map may reveal opportunities for divestitures that could free up capital and management attention, as well as uncover the potential for acquisitions.
- **Evaluate transactional capabilities**—C-suite leaders need to have a plan not only to carry out the deal but to ensure that it delivers on a transformation promise. Value creation goes well beyond integration. Deals in the coming year will have clear value creation plans to harness the value and drive the required capital returns. This includes detailed integration planning and a strategy for retaining key talent in a newly acquired business unit.

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BE ACQUIRED, DON’T BE FOR SALE

If you want your business to be acquired by the best buyer at its maximum possible value, adopt these five vital principles

APPROACH & ELEMENTS OF VALUE

- Historical financial trends and business outlook
- Market Relevance
- Defensible competitive advantages
- Size and growth potential in markets served
- Market share trend
- Diversity and stability of revenue and earnings
- Quality and depth of human capital

The fair market value of a business is the price a willing buyer will pay a willing seller in an arm's length transaction where both parties are duly informed of the relevant facts

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SYNERGY CAPTURE ON THE RISE

Many industries have experienced strong value appreciation by realizing robust synergies through M&A deals with well-positioned target companies

VALUE is determined by the MARKET

Identify Synergies

M&A synergy capture is on the rise, creating accelerated revenue, market share grab and profit maximizing opportunities

Quantify Value

Attraction to business models with strong growth potential, large market opportunities, recurring revenue and scalability.

Achieve Results

Acquisitions build scale and capabilities for larger, more diversified entities

M&A VALUATION: THE SPECTRUM

Value can be affected dramatically by many non-financial factors, including:

- Synergies created by combining entities
- Market share potential

Target's Stand Alone Assets

Minimum Value

Target's Intangible Assets

Target with Potential Synergies

Synergy Benefit to Buyer

Maximum Value

Value Realizing Target Synergies

- Brand recognition and reputation
- Quality and depth of management team
- Future viability of tangible and intangible assets

ARE YOU A STRONG ACQUISITION TARGET?

Does your business have inherently valuable synergies that would benefit other players in your immediate space or for a vertically integrated business?

What is your motivation to be acquired?

Make your acquisition a cause!

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VALUE

THE DEAL MAKER?

All M&A transactions come down to both the buyer and the seller agreeing on valuation, structure and terms

UNDERSTAND VALUATION

	Typically used by strategic buyers		Typically used by financial buyers	
	DCF Discounted Cash Flow Analysis	**CCA** Comparable Company Analysis	**CTA** Comparable Transaction Analysis	**LBO** Leveraged Buyout Analysis
Description	Valuation based on the discounted free cash flows of the company over the period generating abnormal returns	Valuation based on the main trading multiples of comparable (listed) companies	Valuation based on the main multiples of recent and relevant comparable transactions	Valuation based on IRR calculations assuming a certain (LBO) debt package available
Value Drivers	• EBITDA growth • NWC/Capex need • ROIC vs WACC • Competitive advantage period	• P/E or PEG ratio • Sales / EBIT(DA) focus • No control premium or synergies in multiples • FY0/FY1/FY2	• Historical transactions • Focus on sales / EBITDA multiples • Often control premium or synergies included	• EBITDA growth (organic / acquisitive) • Financing • Entry / exit multiples

THE ESSENCE OF RELATIVE VALUATION

In relative valuation, the value of an asset is compared to the values assessed by the market for similar or comparable assets

To do relative valuation:

1) We need to identify comparable assets and obtain market values for these assets
2) Convert these market values into standardized values, since the absolute prices cannot be compared This process of standardizing creates price multiples
3) Compare the standardized value or multiple for the asset being analyzed to the standardized values for comparable asset, controlling for any differences between the firms that might affect the multiple, to judge whether the asset is under or over valued

STRATEGIC V. FINANCIAL BUYERS

	Strategic Buyers	Financial Buyers
Pros	✓ Tend to be able to pay a higher acquisition price because of revenue or cost-based synergies ✓ Can move more quickly in due diligence because they have industry expertise ✓ May be able to pay cash or equity and have little need or risk of raising debt	✓ More experienced in M&A processes, as buying and selling companies is their business ✓ Unlikely to waste time in the process, in general no motive to prolong process – e.g. to gain access to commercially sensitive information ✓ If already invested in the sector – may be able to act as a strategic buyer ✓ May put a new management team in place that can help with various management issues ✓ Have capital to invest – recent lack of opportunities mean that increasingly PE investors have funds available
Cons	x Have multiple considerations when buying a company, whereas financial buyers are purely focused on return on investments (IRR and money multiple) x May have a more complex internal governance review processes x May lack experience in M&A, this could delay execution process	x May lack synergies resulting in lower price x May have much shorter investment horizon, possibly leading to short term (3-5yrs) strategic decisions x If first investment in relevant sector, may take time post acquisition to understand the business thoroughly x If existing management is not strong, might be replaced by PE's own management team – may lead to substantial initial dislocation internally x May use substantial debt leverage, need for strong financial discipline

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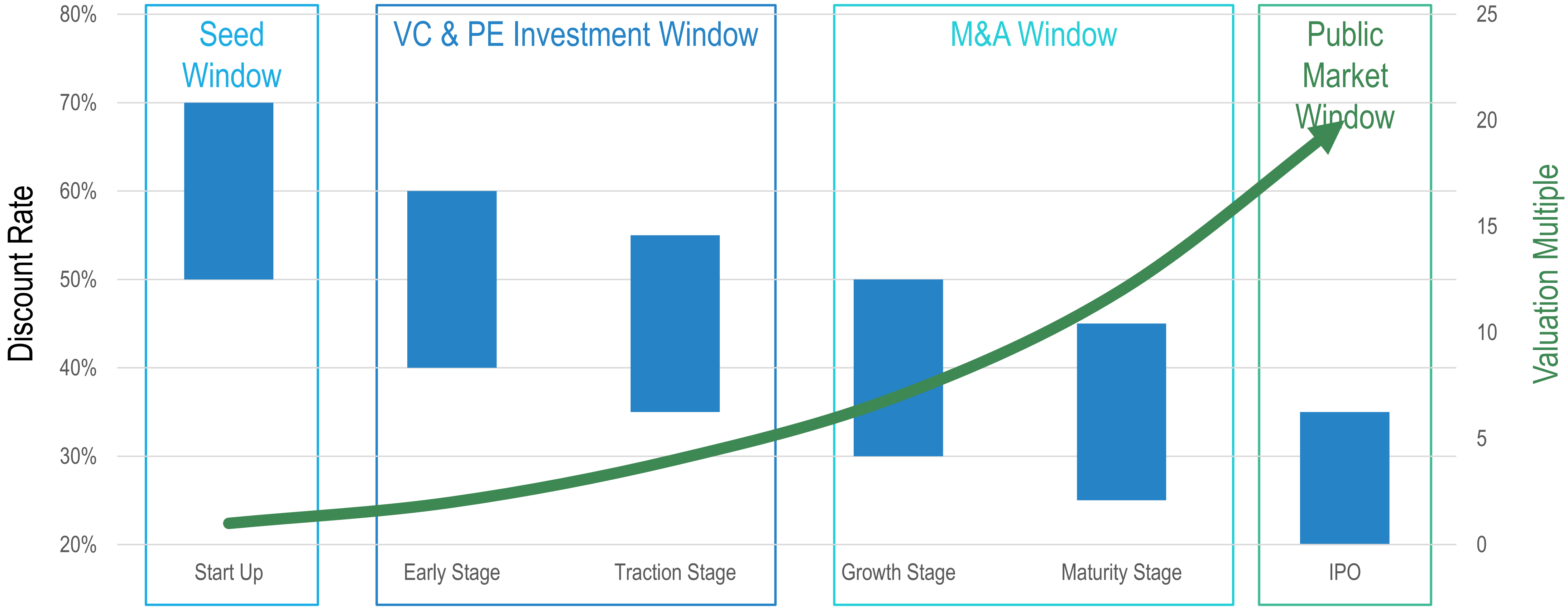
RISK AND VALUE EVOLUTION

THE LONGER A BUSINESS SURVIVES AND THE MORE SUCCESS IT ACHIEVES MITIGATE AGAINST PERCEIVED FUTURE UNCERTAINTY AND RISK, BUILDING VALUE EVERY STEP OF THE WAY



TRANSACTION SCOPE IMPACTS VALUE

- Bilateral
- Limited Auction
- Full Auction
- Strategic Buyers
- Financial Buyers

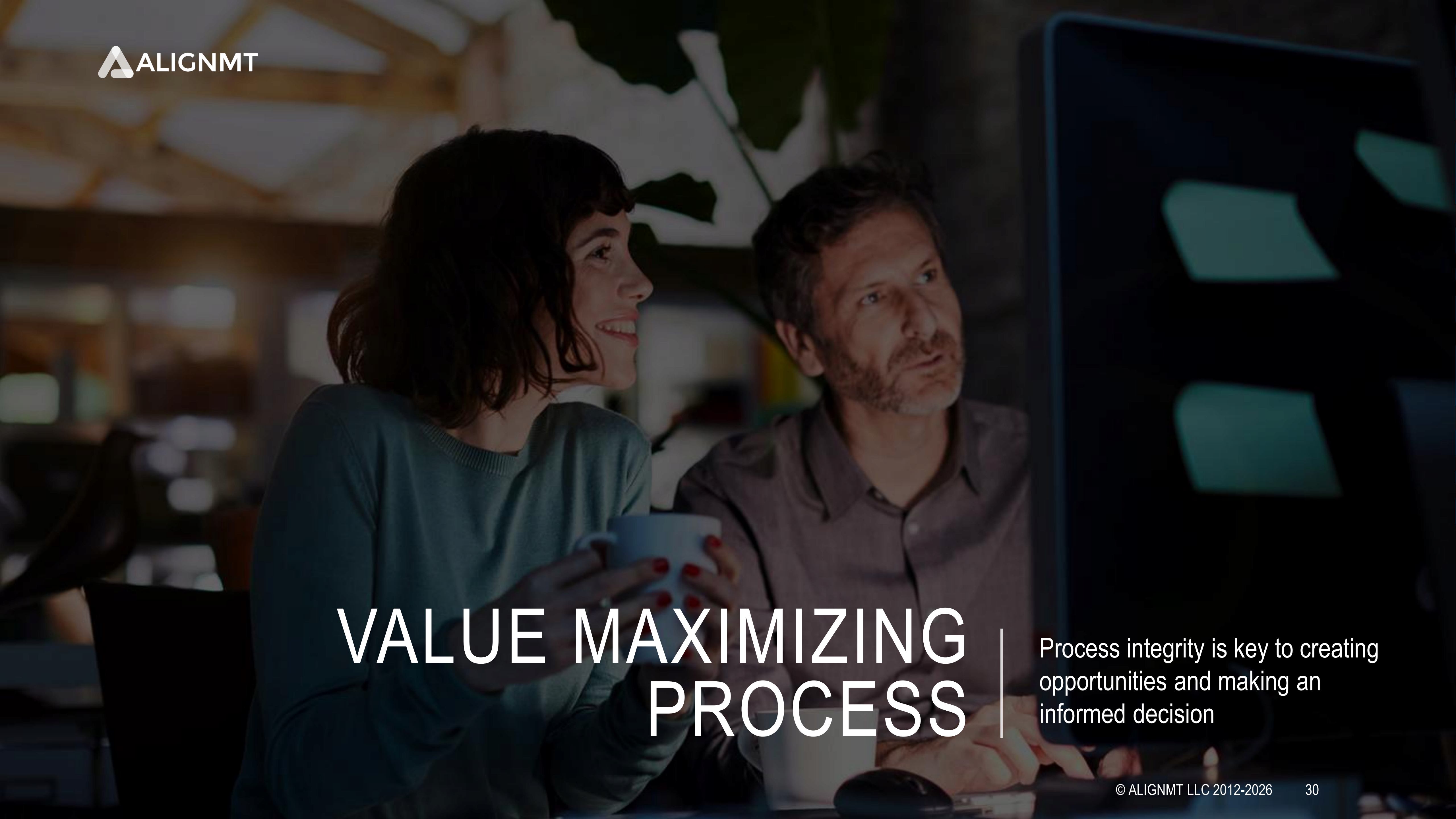
Sale

- Economies of Scale
- Economies of Scope
- Complementary Supply Chain Factors
- Geographic Benefits
- Merger of Equals

Merger

- Multi Generational Ownership
- ESOP
- Financing Considerations

Succession



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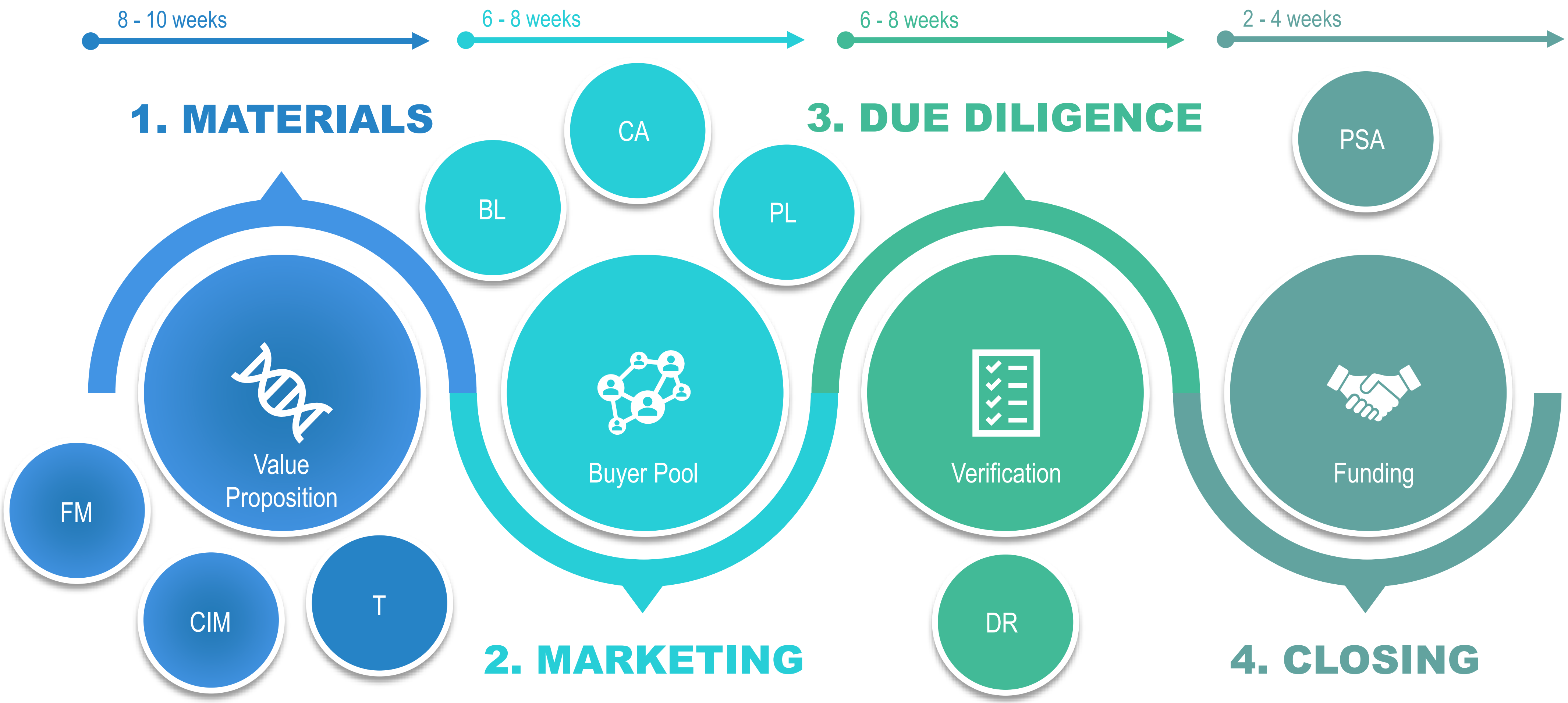
VALUE MAXIMIZING PROCESS

Process integrity is key to creating opportunities and making an informed decision

M&A SALE PROCESS MILESTONES



MATERIALS: TELL YOUR STORY

Financial Model

1) Use past three years and TTM of historical financial statements to adjust any non-recurring or discretionary expenses to show the Company in a value maximizing light

2) Select relevant Key Performance Indicators that support valuation and show favorable future trend of growing financial strength

3) Prepare achievable financial projections of all three financial statements for current year plus five future years

4) Prepare all financial and KPI reports and charts

Confidential Information Memorandum

1) You get only one chance to make a first impression—so stand out

2) There are two ways to tell your story. One is with numbers, the other is with words—this is your CIM

3) Emphasize your unique characteristics and what sets you apart from your competition

4) Your book is how to establish business value in the M&A sale process, and will direct prospective buyers on value expectations

5) There is no 'asking' price, so be sure to highlight all your value drivers with credibility

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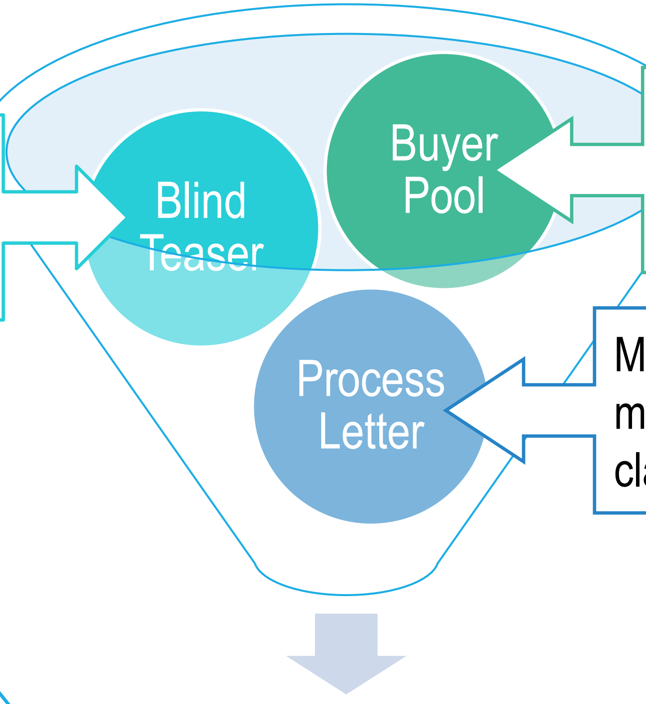
MARKETING: CONTROL THE PROCESS

Write a compelling Teaser that triggers your buyer pool to want more, sign the CA and read the CIM

Carefully research the market to build a list of relevant, viable prospective buyers for both scale and scope



Make it clear that the sale is a well managed process with all steps clarified and the timeline achievable

Direct the buyer pool to prepare Indications of Interest that include specific information and to submit them by a specified date

Indications of Interest

DUE DILIGENCE

Simplify Verification

- Due diligence is the process of verifying expectations
- The offer your buyer prepared is based on a significantly more complicated calculation than they have identified in writing, and the facts must be checked
- As part of the deal there will likely be some adjustments made at closing including cash balance, accounts receivable and payable, etc.; mostly working capital components
- There is also the process of verifying all contracts, employee matters, supply chain integrity and any potential liabilities
- In the Materials we set expectations, so the CIM is a good checklist for organizing your Data Room
- Buyers appreciate simplicity, transparency and credibility

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CLOSING & FUNDING: NO LOOSE ENDS

- You're almost there
- You created great materials that showed prospective buyers what the future could look like
- You ran a tight process, eliminating popcorn, and generating competitive Indications of Interest
- You negotiated effectively and selected the winning bidder
- You made it through due diligence and are finalizing closing adjustments
- Be reasonable with working capital calculations and don't let any loose ends get in the way of closing and funding
- Then it's a done deal

ESTABLISHING YOUR OBJECTIVES

FINANCIAL

- Balance Sheet
- Income Statement
- Cash Flow
- Growth Trajectory

ORGANIZATIONAL

- Management & Employees
- Oversight
- Strategic Direction
- Option Preservation

OPPORTUNITY

- Products & Services
- Sales & Marketing
- Process & Systems
- Capacity & Capital Expenditures

ACHIEVING THE GOAL

ALIGNMT assists every step of the way to achieving the highest possible value by running a thorough process:

1) Establish process documents, milestones and timetable
2) Develop a financial model to present adjusted historical and projected financial statements to support your value proposition
3) Prepare Confidential Information Memorandum, Blind Teaser and Process Letter along with other documents as needed
4) Research, identify, contact and assess interest of potential buyers
5) Manage selected auction process
6) Oversee due diligence process and data room
7) Evaluate bids and make recommendations to Company’s shareholders
8) Negotiate definitive transactional terms
9) Assist in closing of transaction

WHEN IT’S TIME

All business owners will exit at some time, whether via selling, transitioning out or a succession plan.

Want to maximize value when it’s time for your acquisition?

TIME FOR STRATEGIC ALTERNATIVES?

- You're ready to sell your business?
- You need to know what matters and what doesn't matter when it comes time to begin the process.
- Yes, it's a process that when run expertly will result in the opportunity to sell to the best buyer for the highest value.
- There are no shortcuts.
- The valuation equation is complicated and everything about your business and around you matters.
- Be acquired. Don't be for sale.

THE ALIGNMT APPROACH

- ALIGNMT management has advised around 500 companies in driving change efforts within growth and competitive strategy, margin and performance improvement, mergers and acquisitions, and investor relations
- We've created thousands of custom financial models, valuations, business plans, pitch decks, confidential information memoranda, management presentations and every other imaginable business document, presentation, analysis and report
- Our professionals have helped buyers and sellers transact around 30 M&A deals* with an aggregate value near $500 million
- We have relevant experience in industry verticals including consumer, healthcare, industrials, services, technology and transportation

* Transactions often involve consolidations or multiple entities being acquired

THE PROCESS

Financial

- Presentation
- Historical
- Adjustments
- Projections

Rationale

- CIM
- Unique
- Proprietary
- Value

Audience

- Buyer List
- Best Buyer?
- Marketing
- Closing

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SELECT ENGAGEMENTS—M&A

Robinson Construction Co.
Has been acquired by
GRANITE
M&A Advisory
to Robinson Construction

AOP INDUSTRIES
Has been acquired by
PCC Precision Castparts Corp.
M&A Advisory
to AOP Industries

Malibu GOLF, GO KARTS, GAMES & MORE!
Has been acquired by
Palace ENTERTAINMENT
M&A Advisory
to Palace Entertainment

HOLT Value Associates
Has been acquired by
CREDIT SUISSE
M&A Advisory
to HOLT Value Associates

Integrated Marketing Concepts
Has been acquired by
PAREXEL
M&A Advisory
to Integrated Marketing Concepts

HARDEN INDUSTRIES
Has been acquired by
FISHER MANUFACTURING COMPANY
M&A Advisory
to Harden Industries

EPMAR
Has been acquired by
Quaker
M&A Advisory
to Epmar

Micropulse
Has been acquired by
ANDREW
M&A Advisory
to Micro Pulse

ALFA ALFA HOLDINGS
Has been acquired by
Palace ENTERTAINMENT
M&A Advisory
to Palace Entertainment

D&D Associates
Has been acquired by
HOOPERHOLMES
M&A Advisory
to D&D Associates

SELECT ENGAGEMENTS—IR

Investor Relations Advisory
to APWR

Strategic Advisor
to Quartics

Investor Relations Advisory
to BESN

Investor Relations Advisory
to SHND

Strategic Advisor
to PanZoom

Strategic Advisor
to Primordial Genetics

Strategic Advisor
to Autofusion

Investor Relations Advisory
to BMTS

Strategic Advisor
to Omatic

Strategic Advisor
to ROM3 Rehab

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SELECT ENGAGEMENTS—ADVISORY

Midaxo

Strategic Advisor
to Midaxo

Primordial Genetics

Strategic Advisor
to Primordial Genetics

Airway LEASE

M&A Advisor
to Airway Lease

KNOBS.CO
INSPIRING DESIGN

M&A Advisor
to Knobs.co

ZAPWAYS

Strategic Advisor
to Zapways

VendorRate

M&A Advisor
to VendorRate

ROM3 REHAB SYSTEM
The Modern Technology of Lower Extremity Rehabilitation™

Valuation Advisory
to ROM3 Rehab

infovisionix
Leader in Retail BI & Analytics

Strategic Advisor
to infovisionix

Precision Pump & Machine Inc.

Has been acquired by

KSB

M&A Advisory
to Precision Pump and Machine

airbahn

Strategic Advisor
to airbahn

CONTACT

Purpose. Meaning. Progress. Achievement. These are my motivations in business and life.

I help businesses align their goals, resources, challenges and imperfections by defining and pursuing paths to success. My M&A, management consulting and entrepreneurial experience combine to help companies that struggle to reach their growth, productivity and efficiency objectives.

Whether it's strategy, finance, operations or strategic issues within an organization, getting to the core dysfunctions, distractions and inhibitors and conveying simply and accurately the most viable value proposition is essential. That's where I come in.

If you need help defining your business goals, crafting an effective strategy to pursue these goals and managing the ongoing financial and operational elements, we should talk. I've advised or supported over 400 companies in my time.

If you want to sell a business, it must have value in the eyes of a buyer. Value is the result of careful planning, precise execution and luck, usually over the long-term.

If I can't be of service to you directly, I may know others who can meet your needs. Building lasting, valued relationships is fundamental to establishing trust and reliability.

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