

C. Sample Introduction to M&A Sellside Advisory Pitchbook

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Perceived Management Objectives

- CEO (Majority Shareholder) of regional department store retailer seeking to sell stake in order to retire;
- No apparant heir or successor;
- Private company structure provides limited liquidity for CEO -- Needs to sell company in order to obtain liquidity;
- Seeking to maximize sale price and yet find buyer that will successfully manage business and maintain brand identity.

Proposed Positioning of Project Hybrid

- Consistent record of same store revenue growth, well in excess of department store retailer averages;
- Geographic concentration in West Coast and Texas;
- Significant relationships with key suppliers;
- High level of repeat customers and store charge card buyers;
- Strong brand recognition and excellent mall anchor tenant dynamics;
- Well managed organization in need of new leader;
- Elimination of potential costs and redundancies available to a prospective buyer.

[More Slides -- Omitted for Excerpt **]**

Summary Points – Pitch #3

- Again, notice how the pitch begins with the perceived objectives of the company. Particularly in an M&A situation, the bankers should fully understand the drivers behind the transaction. Why are they selling? In this case, the CEO/majority shareholder of the company wants to sell his stake in order to retire (which is a common M&A sell-side assignment). The due diligence that you will conduct soon will tell you if this is really the motivation or if there is something more ominous (like the Company is deteriorating and the CEO just wants out before something bad happens).
- How will the company be positioned? This is basically a way for the client or potential client to ensure that the bankers have identified the important selling highlights. Positioning is another way to refer to the way that a Company's highlights will be summarized to potential buyers.
- [More Points]

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