



# Increasing Company Value Prior to Exit and M&A Process Overview

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# THE PRESENTER



Max Prilutsky is the founder and Managing Partner of Roadmap Advisors, an M&A advisory firm that represents both buyers and sellers.

During his career, Max has successfully started, advised, invested in, acquired and sold businesses across a broad range of sizes and industries, totaling in aggregate over \$7B in transaction value. He has worked with companies of all sizes, ranging from startups to multibillion dollar publicly traded companies.

Max holds a bachelor's degree, cum laude, from UCLA, and an MBA from The Wharton School.

# OVERVIEW OF ROADMAP ADVISORS

## Our Clients

Entrepreneurs  
& Executives

Family  
Offices

Corporate

Private  
Equity

## Sector Coverage

Food and  
Beverage

Consumer

Technology

Health &  
Wellness

## Services

Competitive  
Sales Process

Proactive  
Acquisition  
Search

Institutional  
Capital Raise

“Virtual BoD”:  
Growth & Value  
Creation

## Focus

Middle Market  
Focus

US & Cross-  
Border

Complex  
Transactions

Strategic  
Capital

15

*professionals*

>\$7B








*deals closed*

25

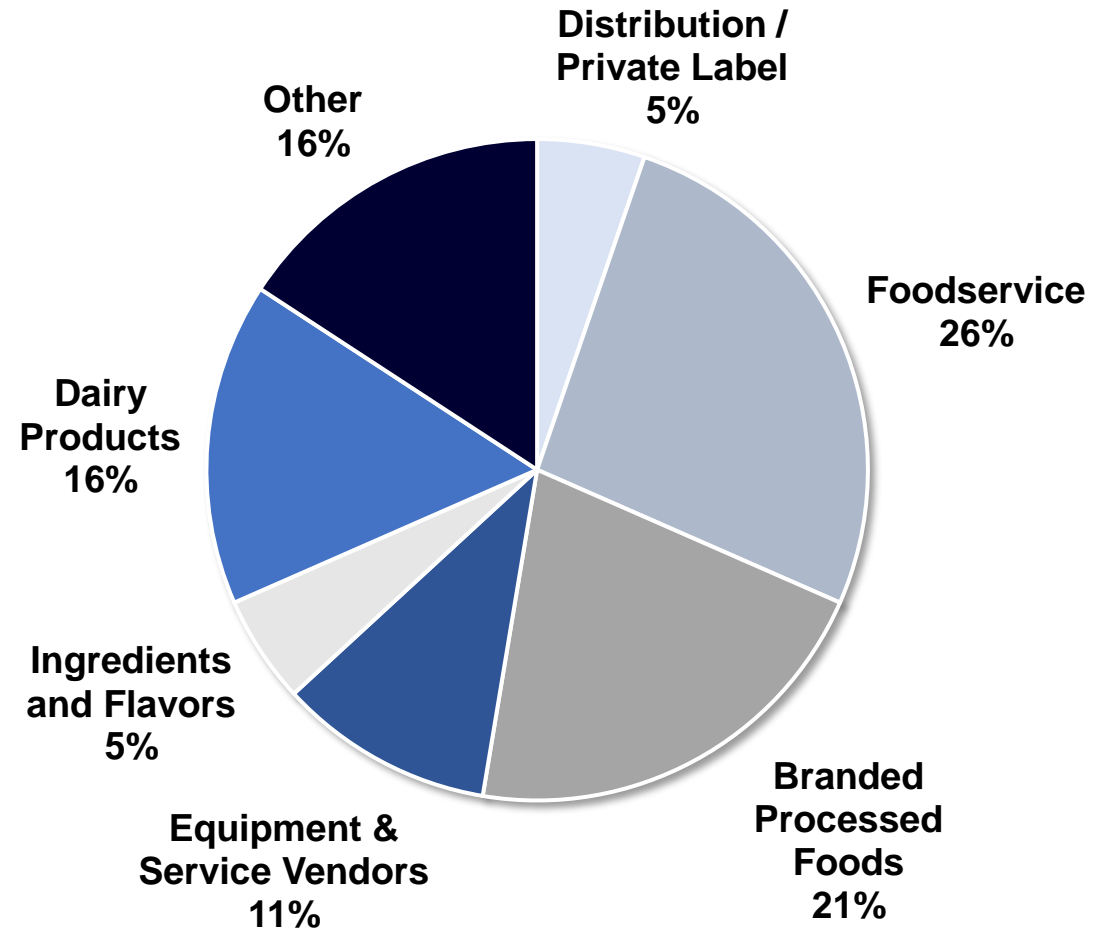
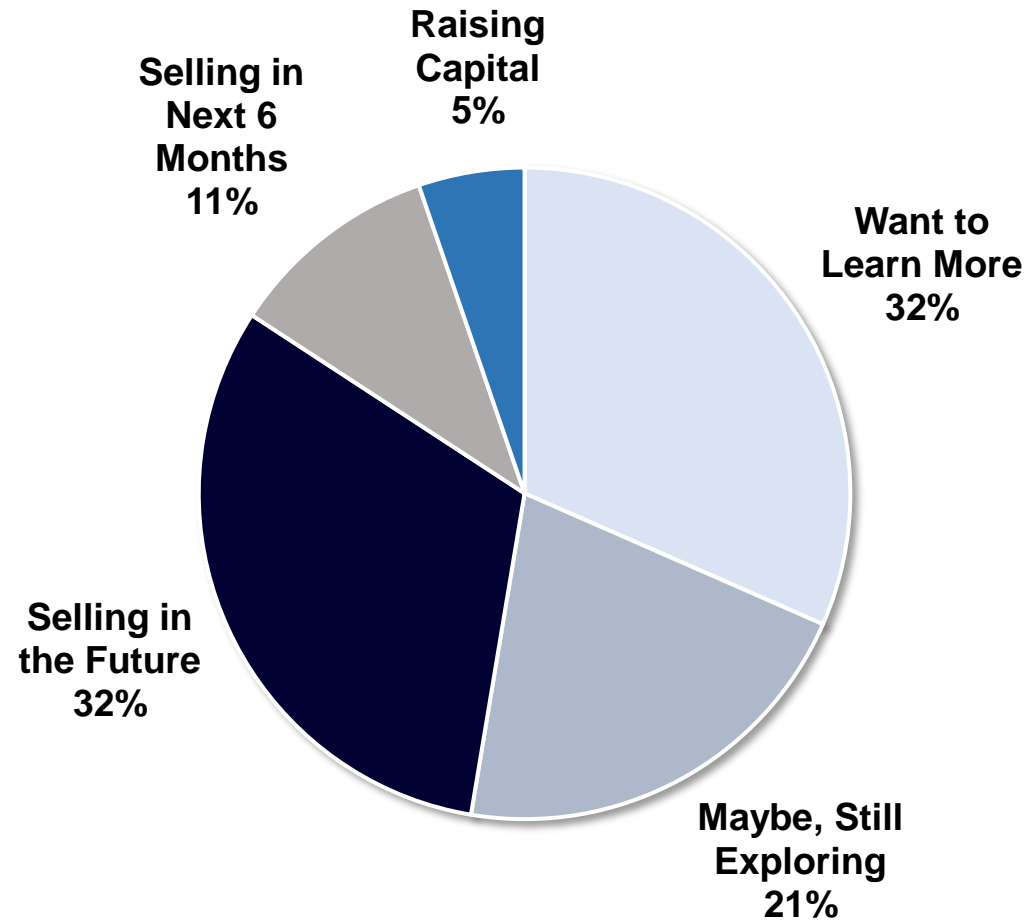
*Team average years  
of M&A experience*



# ROADMAP WORKS WITH A RANGE OF CLIENTS

	Proactive Buyer 	Opportunistic Buyer 	Focused on Ops & Growth 	Longer Term Seller 	Opportunistic Seller Now 	Seller at Specific Terms 	Proactive Seller Now 
	ACQUISITION FOCUS				SALE FOCUS		
Company Needs	Actively pursuing acquisition / roll-up strategy	Interested in acquisitions, but not a core focus	Any transaction would be a distraction in the near term	Focused on business improvement to sell in 2-7 years	Would consider selling if the right deal came along	Want to sell, but have specific non-negotiable deal terms & desires	Want to sell the business for the best possible overall terms
Roadmap Advisors Solution	<b><u>Retained Buyside Search</u></b> <ul style="list-style-type: none"> <li>Strategy</li> <li>Messaging</li> <li>Industry interviews</li> <li>Proprietary sourcing</li> <li>Diligence &amp; negotiations support</li> </ul>	<b><u>Opportunistic Search</u></b> <ul style="list-style-type: none"> <li>Alignment on parameters</li> <li>Making warm intros to one-off proprietary deals</li> </ul>	<b><u>Check-ins, Intros, Market Checks</u></b> <ul style="list-style-type: none"> <li>Get to know your company</li> <li>Make intros to potential clients, partners, etc.</li> <li>Share relevant intel on market, valuations &amp; transactions</li> </ul>	<b><u>“Virtual BOD”</u></b> <ul style="list-style-type: none"> <li>Akin to PE board of directors</li> <li>Multi-year strategic plan development</li> <li>Quarterly check ins &amp; review</li> <li>Business model improvement</li> </ul>	<b><u>Opportunistic Buyer Intros</u></b> <ul style="list-style-type: none"> <li>Make confidential warm intros to pre-qualified, motivated buyers</li> </ul>	<b><u>“Create Your Own Transaction”</u></b> <ul style="list-style-type: none"> <li>Work with you to develop the “ideal structure” at a reasonable valuation</li> <li>Raise capital into SPV to execute the transaction on your terms</li> </ul>	<b><u>Retained Sale Process</u></b> <ul style="list-style-type: none"> <li>Pre-emptive due diligence and marketing materials</li> <li>Approach qualified buyers via narrow or broad auction process to maximize value</li> </ul>

# THE AUDIENCE (AS OF THIS MORNING)





# M&A OVERVIEW

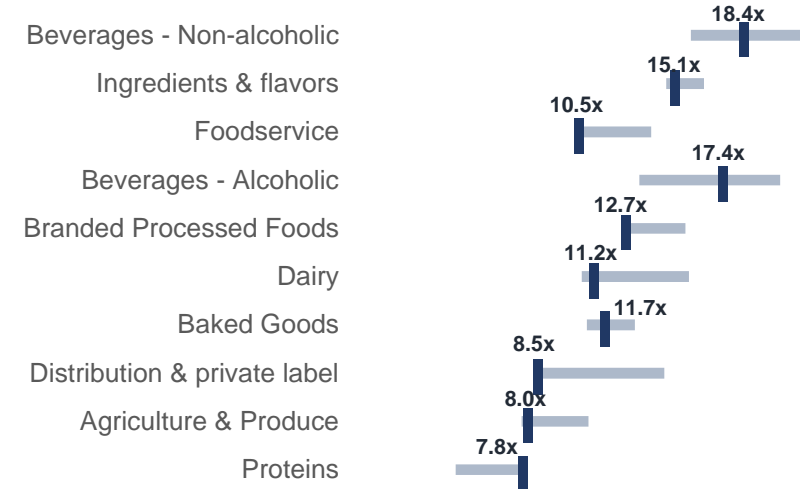




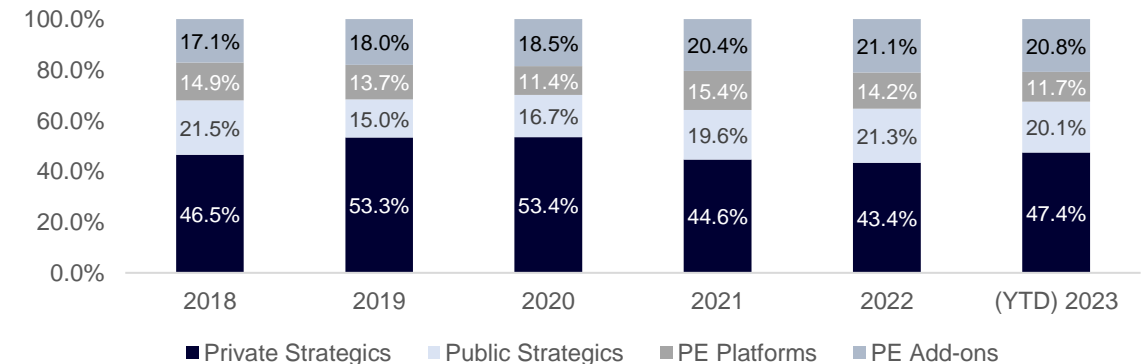
# FOOD AND BEVERAGE M&A LANDSCAPE

- **Falling Commodity Prices Easing Margin Pressure:** Many food companies are experiencing easing margin pressures as input costs and supply chain constraints have subsided. Combined with growing food prices (3% YoY food inflation in August), opportunities are presenting themselves for more aggressive growth strategies.
- **PE Buyers Remain Active in the Space:** Strategic investors account for 67.5% of transactions with PE accounting for the other 32.5%. Strategics have been focused on consolidation and additional manufacturing capabilities while sponsors have focused on add-ons for portfolio companies. Despite a higher level of scrutiny on deals in this higher rate environment, quality targets are commanding PE interest.
- **Transaction Multiples Vary:** Average deal multiple vary across verticals. There are additional factors that drive valuations like company maturity, business/go-to-market model, and market position. Individual investment theses create outliers as certain buyers place premiums on anything from manufacturing capability to size of sales teams.

## *Despite Moderate Macroeconomic Headwinds, Trading Multiples Remain Strong*



## *Strategics Represents the Majority of Investment, while Sponsors Invest in Add-Ons*



# RECENT NOTABLE TRANSACTIONS

## Better For You

**MARS**

**kevin's**  
natural foods

bobbie.

*Nature'sOne*

## Protein

**STX**  
BEEF CO

EST. 2021  
**MISSOURI**  
PRIME  
A HESTER COMPANY

**OCEANO**  
SEAFOOD

**SEA FRESH USA**

## Dairy

**LIPARI**

**SWISSAM**

**Sigma**  
alimentos

**LOS ALTOS**

## Distribution

**KeHE**

**DPI** Specialty Foods

**JP**

**GDS**  
Foods

## Snacks

**Karls**

SNACK BETTER  
**SAHALE**  
SNACKS

**h** **HOWE**  
COMPANY  
CANDY COFFEE NUTS

**Mister Snacks**

## Ingredients & Flavors

**BAKEMARK**

since 1909  
**VALENTE**  
Bakery Supplies

**Roland**  
EST 1934

**ifi GOURMET**  
A SWEET COMPANY

## Baked

**B-C-P**

**LEGACY**  
BAKEHOUSE

**GRUPO**  
**BIMBO**  
NOURISHING A BETTER WORLD

**NATIONAL CHOICE BAKERY**  
BAGELS BRING HAPPINESS.



## Beverage

**MOLSON**  
**COORS** beverage company

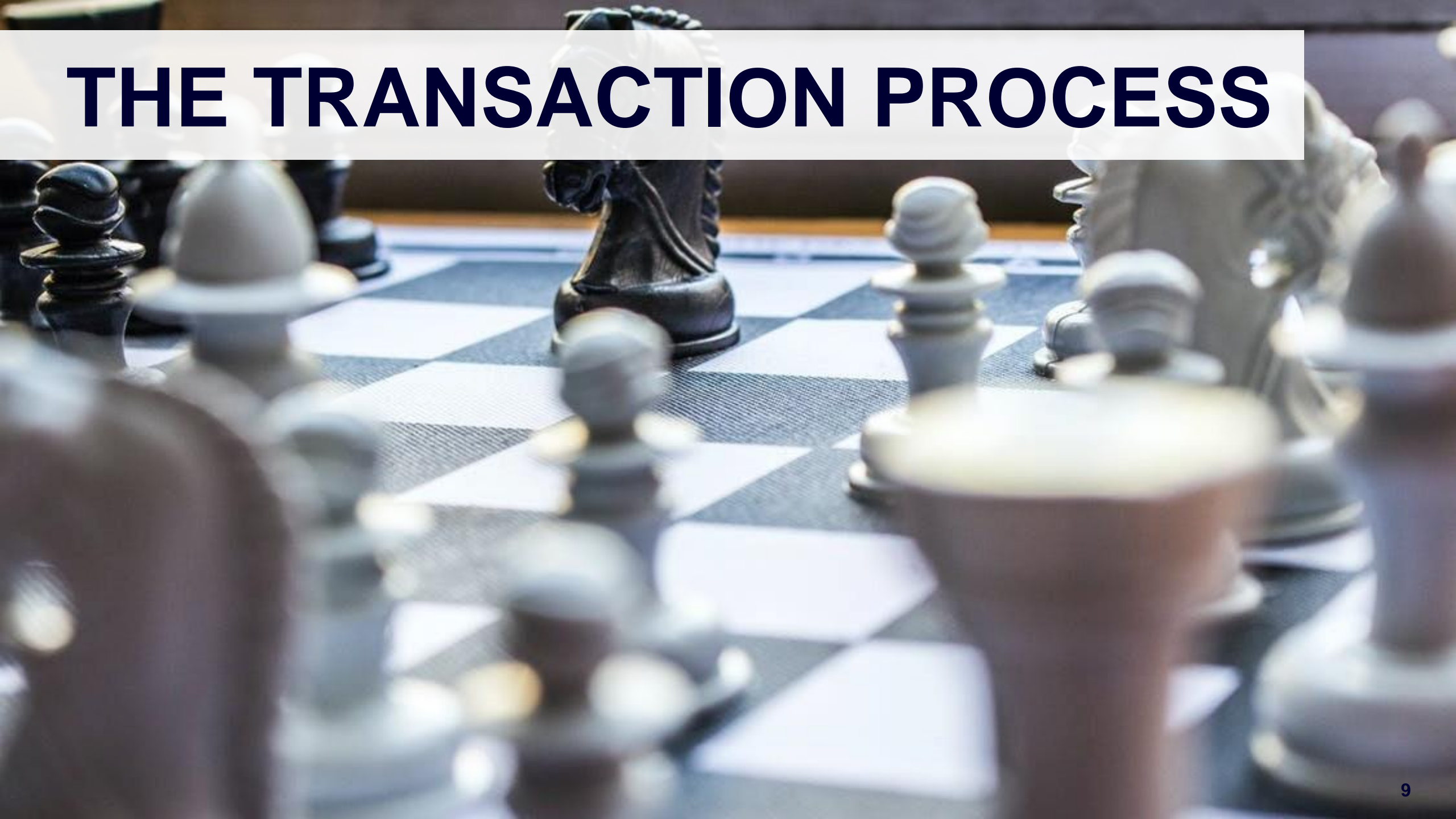
**BLUE RUN**

**CORBY**

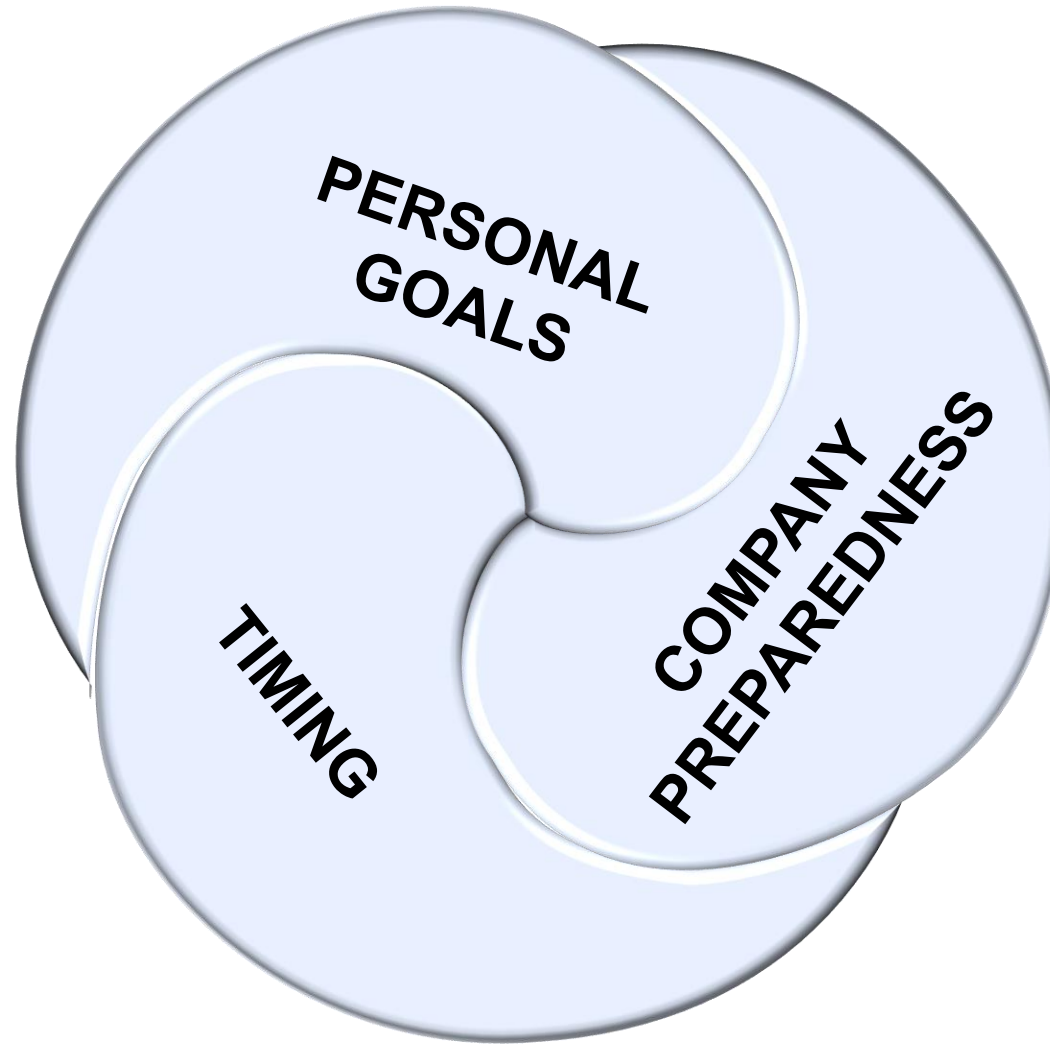
**ACE**  
BEVERAGE  
GROUP



# THE TRANSACTION PROCESS



# THE DECISION TO SELL: 3 KEY FACTORS



# THE DECISION TO SELL

## PERSONAL GOALS

Personal /  
Family

Succession /  
Retirement

Help with  
Growing the  
Business

Extract  
Yourself from  
Day to Day

Competitive  
Pressures

Capital  
Infusion for  
Growth

Liquidity for  
Partners or  
Shareholders

## TIMING

Market Cycle

Industry Trends

Current  
Valuations

Recent &  
Projected  
Company  
Performance

Macroeconomic  
Trends

Specific Buyer  
Interests

## COMPANY PREPAREDNESS

Financial  
Profile

Management  
Team Depth

Understanding  
of Business  
Drivers

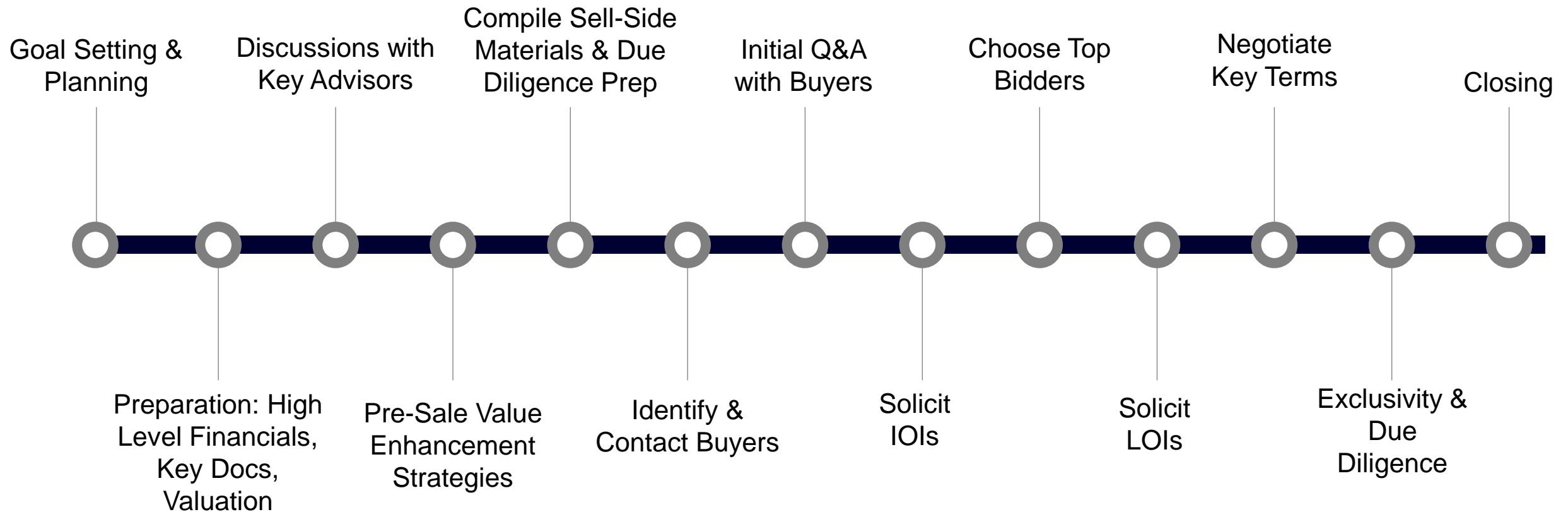
Financial & KPI  
Reporting

Growth Plan

Legal / Tax  
Structure / Cap  
Table



# THE TRANSACTION PROCESS



# ILLUSTRATIVE SALE TIMELINE

## Listening & Goal Setting

- Planning meeting
- Timeline & organization
- Sign engagement letter

## Preparation & Research

- Gather business & financial information
- On site due diligence meeting
- Follow-up Q&A & doc requests
- Draft CIM
- Draft One-pager
- Compile electronic data room
- Prepare potential buyer list

## Marketing & Buyer Engagement

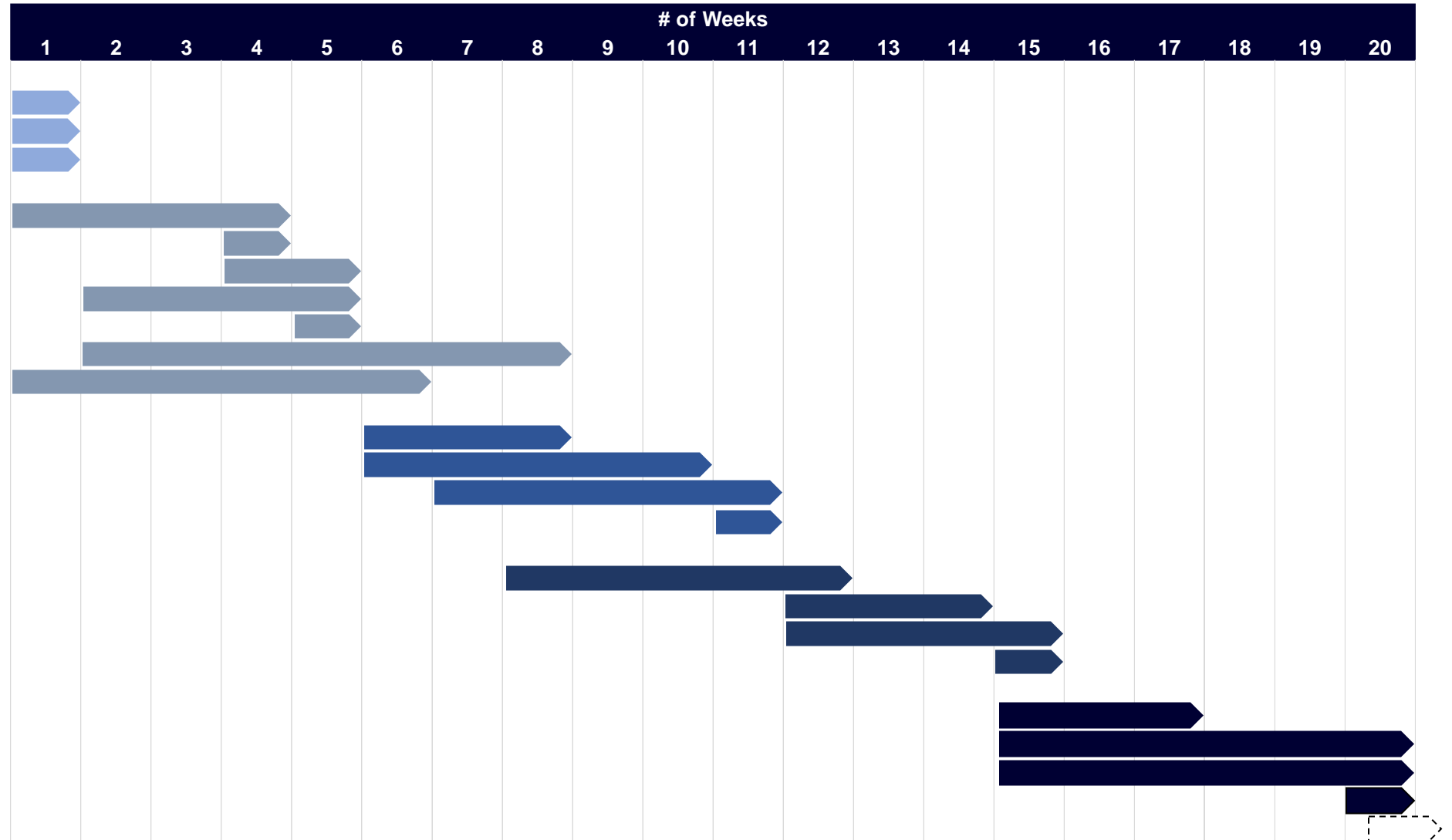
- Reach out to potential buyers
- Process NDAs & distribute CIMs
- First round of Q&A with advisors
- IOI due date; select phase 2 buyers

## Due Diligence & Buyer Meetings

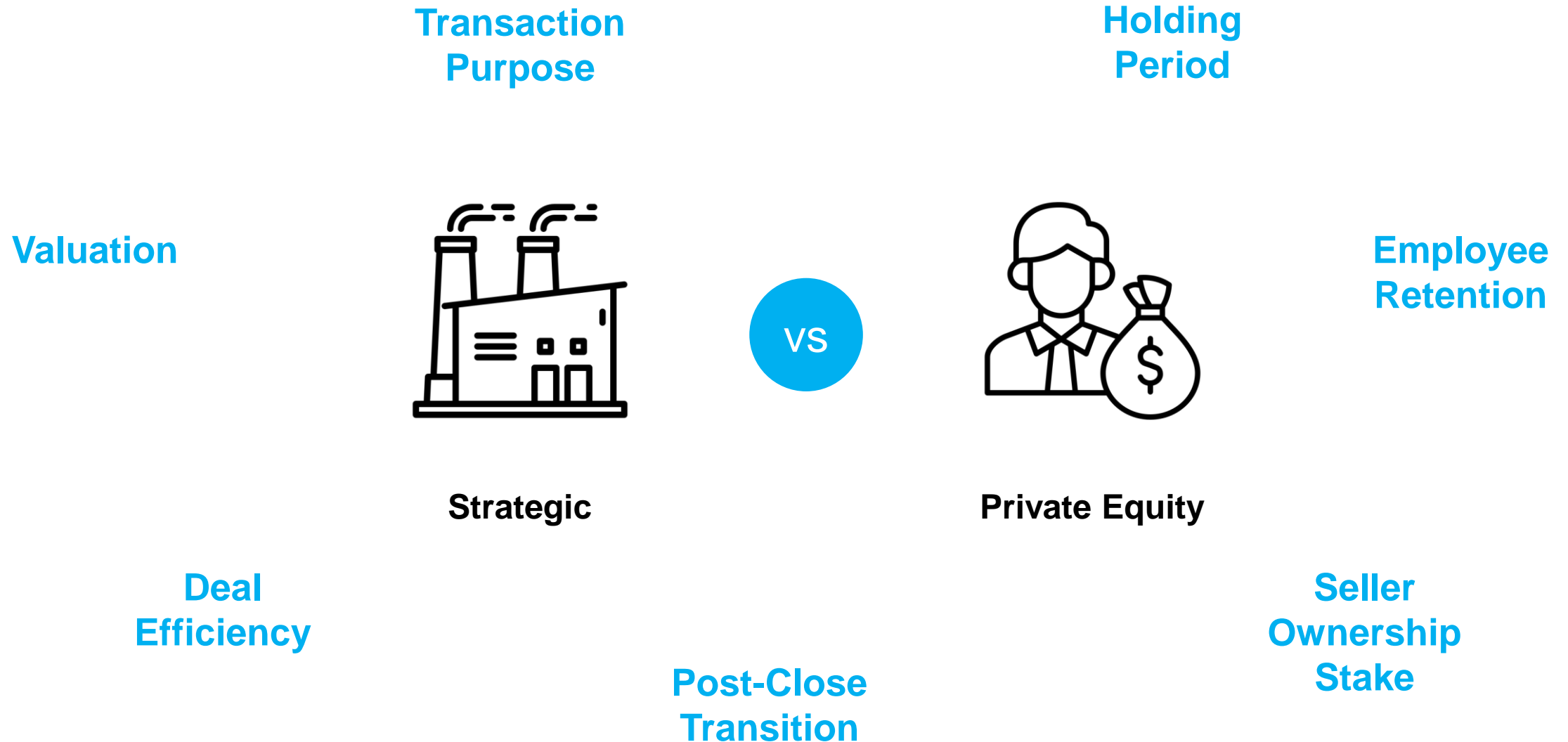
- Prepare management presentation
- Management presentations
- Buyer Q&A & doc requests
- LOIs due; select winning bidder

## Negotiation & Closing

- Develop & negotiate list of key terms
- Confirmatory due diligence
- Definitive agreement & key contracts
- Close transaction
- Post-transaction adjustments & obligations



# ACQUIROR TYPES



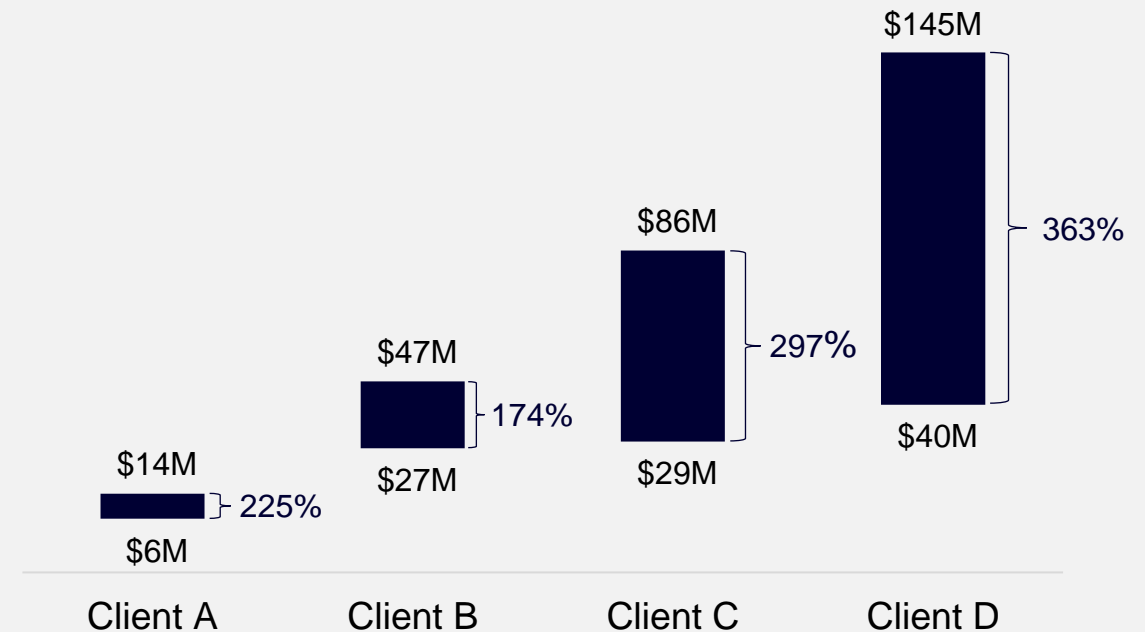


# COMPETITIVE PROCESS: MAXIMIZING VALUE

- M&A Advisor Value-Add: Roadmap Advisors creates marketing materials catered specifically towards investors and what each is looking for in an investment
- Running a Competitive Process: The most efficient way to increase a company's value is to pin competing offers against each other to drive up the bids
- "De-Risking" the Transaction: Investors look for investments that minimize risk exposure. Having an M&A advisor like Roadmap Advisors help organize company documents and create a clean financial model will help instill confidence in the opportunity.

***Roadmap Advisors transactions saw a 265% average difference between the lowest and highest offers presented to sellers after diligence***

**Range of Bids Offered in Recent Sales**



# PREPARING TO TRANSACT

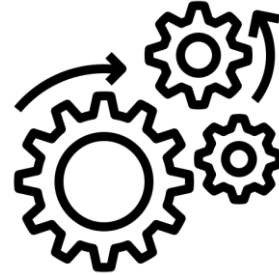


# WHAT BUYERS ARE LOOKING FOR

## FINANCIAL



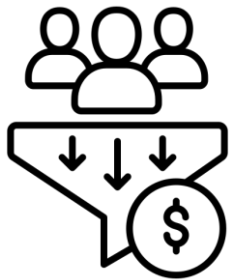
## OPERATIONS



## REPORTING



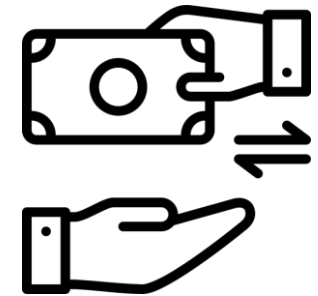
## SALES / GO TO MARKET



## INDUSTRY

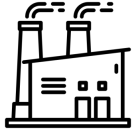


## TRANSACTION





# BUSINESS AND OPS CONSIDERATIONS



## Manufacturing

Co-Packing

Self Manufacturing

Co-Packing for Others

Capacity



## Certifications

SQF

Kosher / Halal

Organic

Gluten Free



## Go-To-Market

Brokers

Sales Teams

Brand Ambassadors

Trade Fees



## Distribution

Distributors

DSD

Drop Shipping

Self Distribute



## Sales Channels

Retail

Food Service

DTC

Club

# PHASE I: NEAR-TERM PREPARATIONS

***Deliberate organization of documents, financials, and analyses enables owners to understand key value drivers and potential areas for improvement in their business***

- ❑ Organize Documents: Organize the company's documents into their respective data room folders
- ❑ Consolidated Models: Show the consolidated financial statements for both companies on an excel spreadsheet
- ❑ KPIs: Identify the metrics to assess the company's success and begin updating regularly
- ❑ Track Potential Addbacks: Retroactively identify personal and non-recurring expenses and develop a system to identify them going forward
- ❑ Org Chart: Develop a company organizational chart
- ❑ Sales Pipeline: Identify prospective customer opportunities and where they are in sales cycle
- ❑ Track Buyer Interest: Create a folder for and track any inbound acquisition or investment interest inquiries

# PHASE 2: MEDIUM-TERM PREPARATIONS

*Identifying the steps to sustained growth under new ownership provides a tangible “roadmap” that potential buyers can leverage to underwrite their investment*

- ❑ Strategic Plan: Develop a long-term strategic plan and identify the company’s top 5 opportunities for growth
- ❑ Key Employees: Identify and begin recruiting for key open positions within the organization and plan for new hires based on the long-term strategy
- ❑ Review Customer Contracts: Identify shortcomings in customer contracts and modify preemptively before the sale
- ❑ SOP development: Formalize frequently repeated processes and encourage team to identify best practices
- ❑ KPI alignment: Share tracked KPIs with relevant team members and build internal alignment on priorities
- ❑ IP Strategy: Review any intellectual property decisions that may drive value at exit



# PHASE 3: LONGER-TERM PREPARATIONS

*Truly value creating transformations take time to implement. Focusing on and executing just a few high-value projects can yield significant increases in value.*

- ❑ Reduce Owner Involvement: Track owner workload and involvement in the company and preemptively transfer those responsibilities to other employees to de-risk the potential ownership transition
- ❑ Recurring Revenue: Transitioning existing clients and signing new clients to a recurring revenue model
- ❑ Diversify Revenue and Suppliers: To avoid concentration risk, take measures to ensure the company is not too reliant on a single client or supplier
- ❑ Thoughtful Cost Controls: Identify redundant expenses or cost savings opportunities, and begin rationalizing expenses that doesn't affect revenue growth
- ❑ Demonstrating LTV / CAC: Showing buyers a tangible, direct correlation between investment in sales & marketing and the bottom line often helps justify higher valuation multiples

# WORKING WITH ROADMAP

A modern conference room with a large wooden table and black leather chairs, viewed through a glass wall. The room is bright and airy, with large windows in the background. The text "WORKING WITH ROADMAP" is overlaid in a bold, dark blue font at the top of the image.

# HOW WE ENSURE A SUCCESSFUL SALE

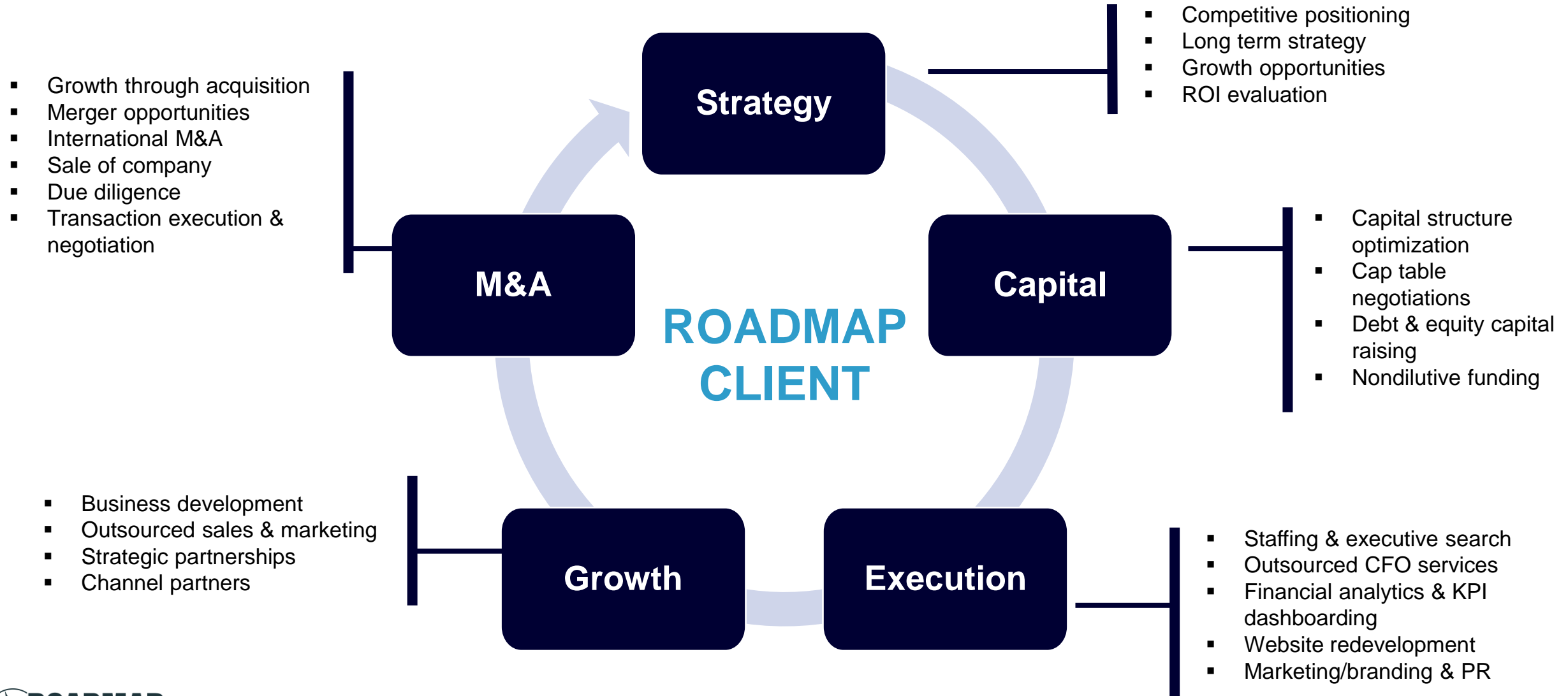
**Positioning  
and  
Preparation**

**Accessing  
Decision  
Makers**

**Competitive  
Bidding**

**Negotiations  
and Closing**

# NOT JUST M&A: OUR “WHOLE CLIENT” APPROACH





# WORKING WITH ROADMAP ADVISORS

 Efficient: Fast & cost-effective partner to supplement your strategy

 Strategic: Help plan, map and prioritize counterparty landscape

 Deliberate: Prioritize thesis-driven value creation over quantity

 Accountable: Real-time dashboards + weekly video check-ins

 Collaborative: Leverage industry experts & deal intermediaries

 Flexible: Ability to scale project scopes up or down over time





# THANK YOU!

**Max Prilutsky**

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