



Exit Value Maximizer

Overview

Transitioning Your Business

The benefits to starting early

- ☐ Readiness for succession score
- ☐ Take control of the process
- ☐ Know what levers and strategies to employ to enhance value
- ☐ Gain an early understanding of what buyers will and will not pay for
 - ☐ Make more informed decisions
 - ☐ Maximize the outcome
- ☐ Allows time to modify the structure of the business (with regard to how it is owned and what it does)
 - ☐ Refine and further develop strategic plan
 - ☐ Ensure key management is in place
 - ☐ Establish formal shareholders' or partners' agreements
 - ☐ Certain tax laws have look-back periods

Readiness for Succession Score

PRE-SALE PLANNING

- ❑ Evaluate progress over time using a variety of metrics
 - ❑ Set benchmarks and goals
 - ❑ See strengths and weaknesses
- ❑ Determine readiness for an exit strategy that captures maximum enterprise value for your business.

READINESS SCORE

Margins

Gross Profit Margin	8.84
Operating Profit Margin	7.68
Net Margin	7.85

Risks

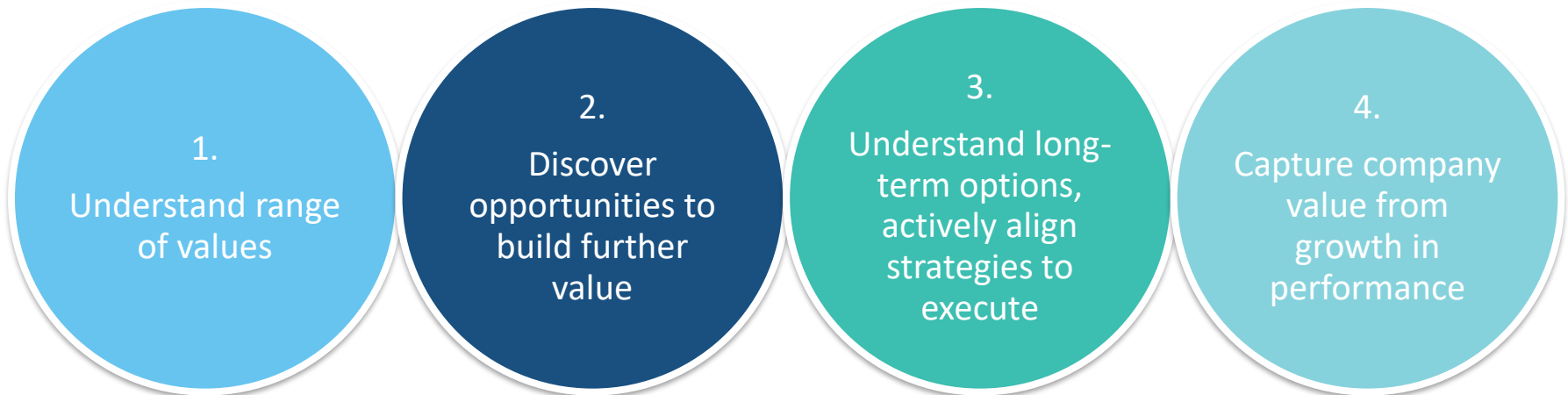
Customer Concentration	10.00
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Ratios

Sales / Working Capital	10.00
Days' inventory	6.16
Days' receivables	8.23
Days' payables	9.99

Transitioning Your Business

The four goals of preparing to sell your business



1. Understand Range of Values

PRE-SALE PLANNING

- ❑ Determine a range of values for company
 - ❑ Capitalization of Historical Free Cash Flows
 - ❑ Rule of Thumb industry multiples
 - ❑ Discounted Cash Flow analysis
 - ❑ Comparable Transactions
 - ❑ Guideline Public Company Comparison
- ❑ Gather comparable data for industry or similar business size
- ❑ Establish structure for annual updates
- ❑ Create preliminary targeted buyer list
 - ❑ Determine ways to expand this list

1. Market Value

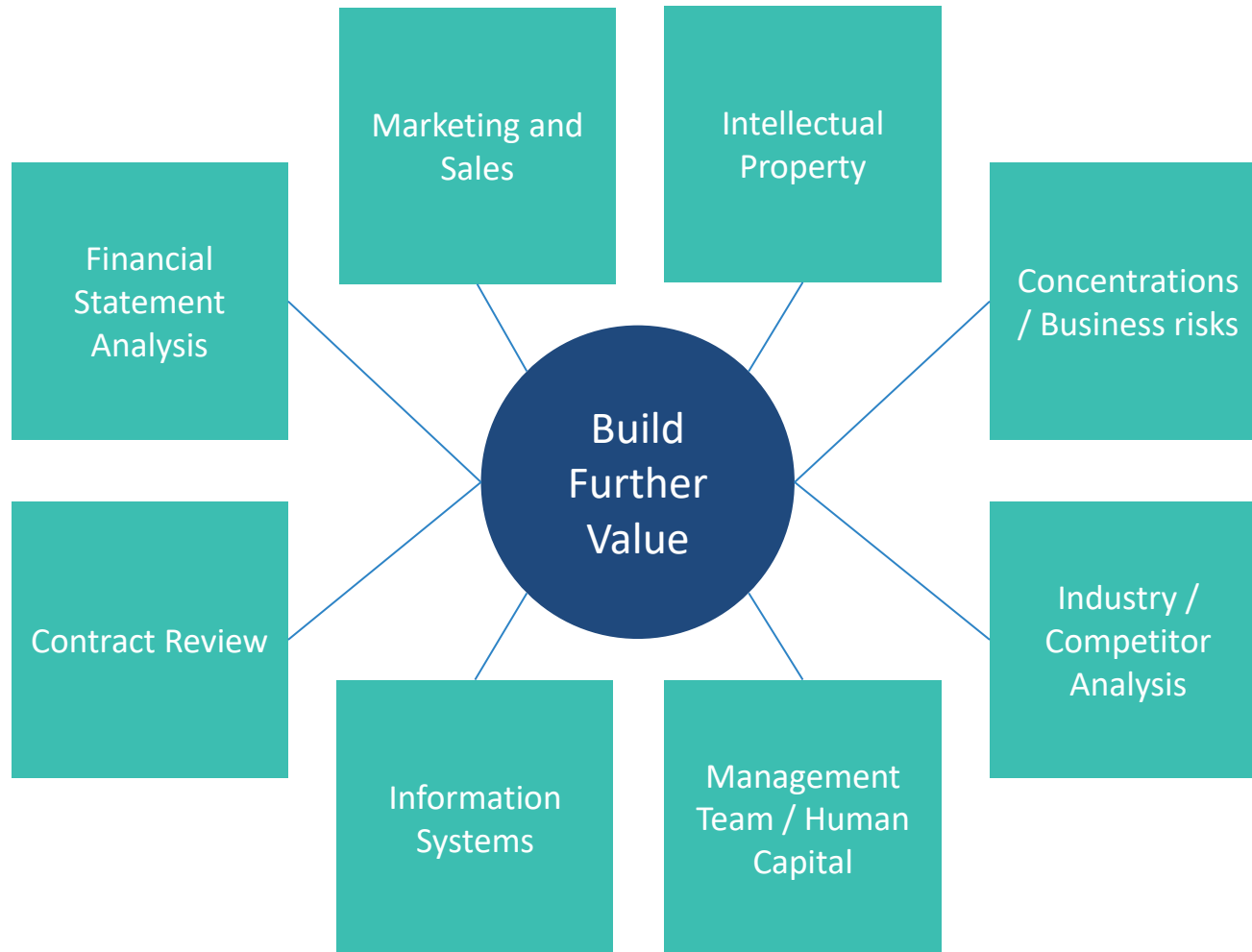
2. Growth Opportunities

3. Execute Strategies

4. Capture Growth

2. Discover Opportunities to Build Further Value

PRE-SALE PLANNING



1. Market Value

2. Growth Opportunities

3. Execute Strategies

4. Capture Growth

3. Align Strategies to Execute

- ❑ Define current Exit Strategy
 - ❑ Sale to a private investor
 - ❑ Sale to the employees
 - ❑ Family continuity
 - ❑ Operational partner
- ❑ Based on identified strategy, ensure alignment between operational plan and selected strategy (long-term direction should be a consideration in many short-term decisions)



1. Market Value

2. Growth Opportunities

3. Execute Strategies

4. Capture Growth

4. Capture Value from Growth

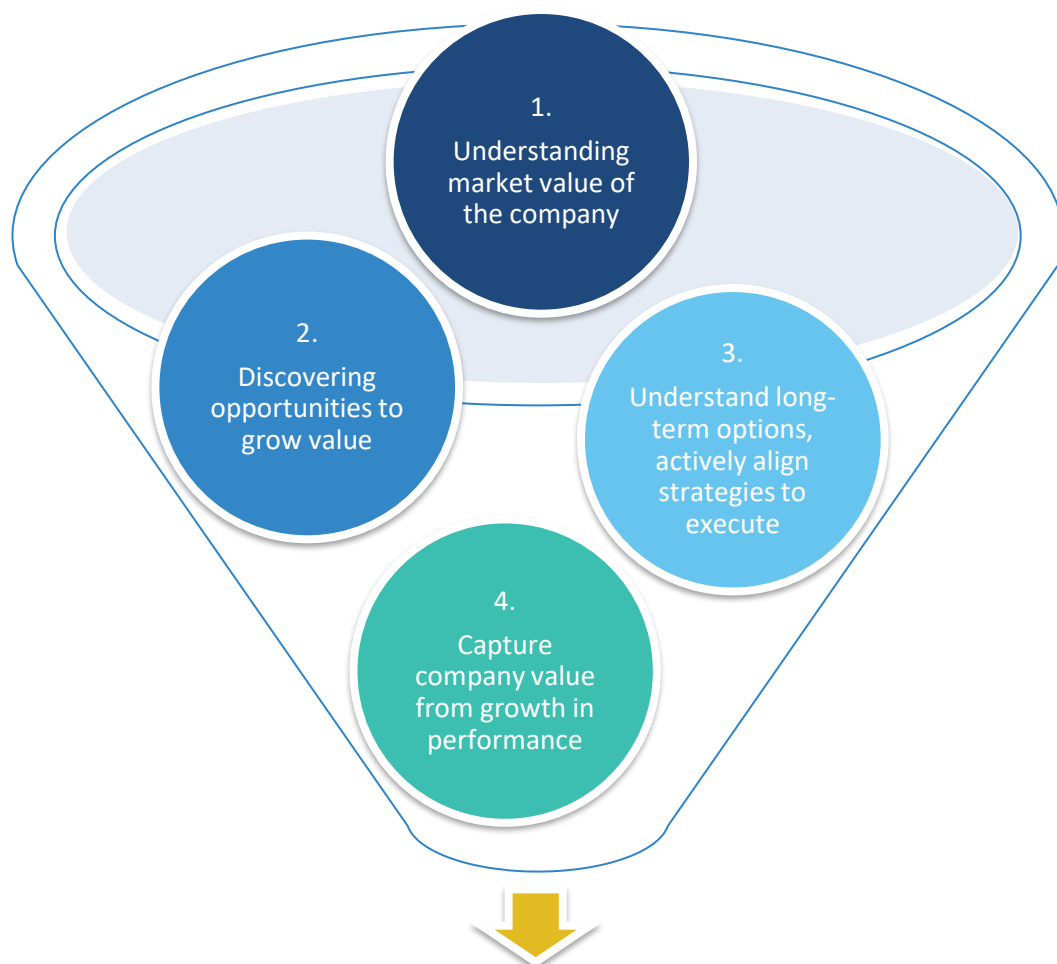
PRE-SALE PLANNING

- ☐ What drove the numbers up or down?
- ☐ What worked? What did not work?
- ☐ Unusual or unexpected internal developments?
 - ☐ Product lines
 - ☐ Suppliers and/or Customers
 - ☐ Management / Staffing
 - ☐ Systems
 - ☐ Expenditures
- ☐ Significant changes in the external environment
 - ☐ Industry
 - ☐ Products
 - ☐ Competitors



Pre-Sale Planning Results

PRE-SALE PLANNING



Realize a higher pay out for your business and its related assets along with a smoother transition process

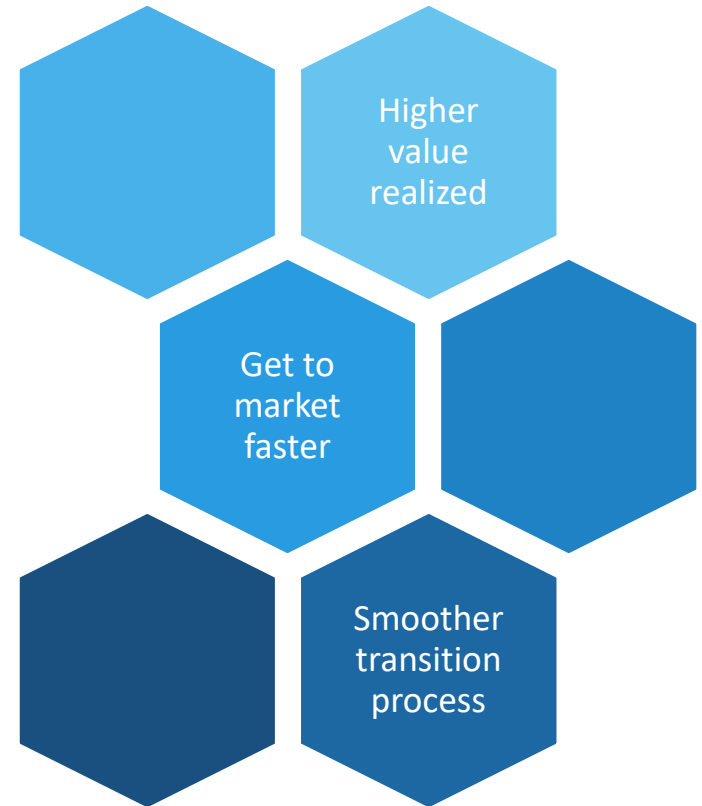
Value-Added Benefits

- ☐ Provides information on market value of business early in the process
- ☐ Guidance on opportunities to increase value
- ☐ Help in understanding transition options
- ☐ On-going capture of the history of the business
- ☐ Establish structure for eventual transition
- ☐ Document roadmap to drive value
- ☐ Create accountability for goals

Pre-Sale Planning Benefits

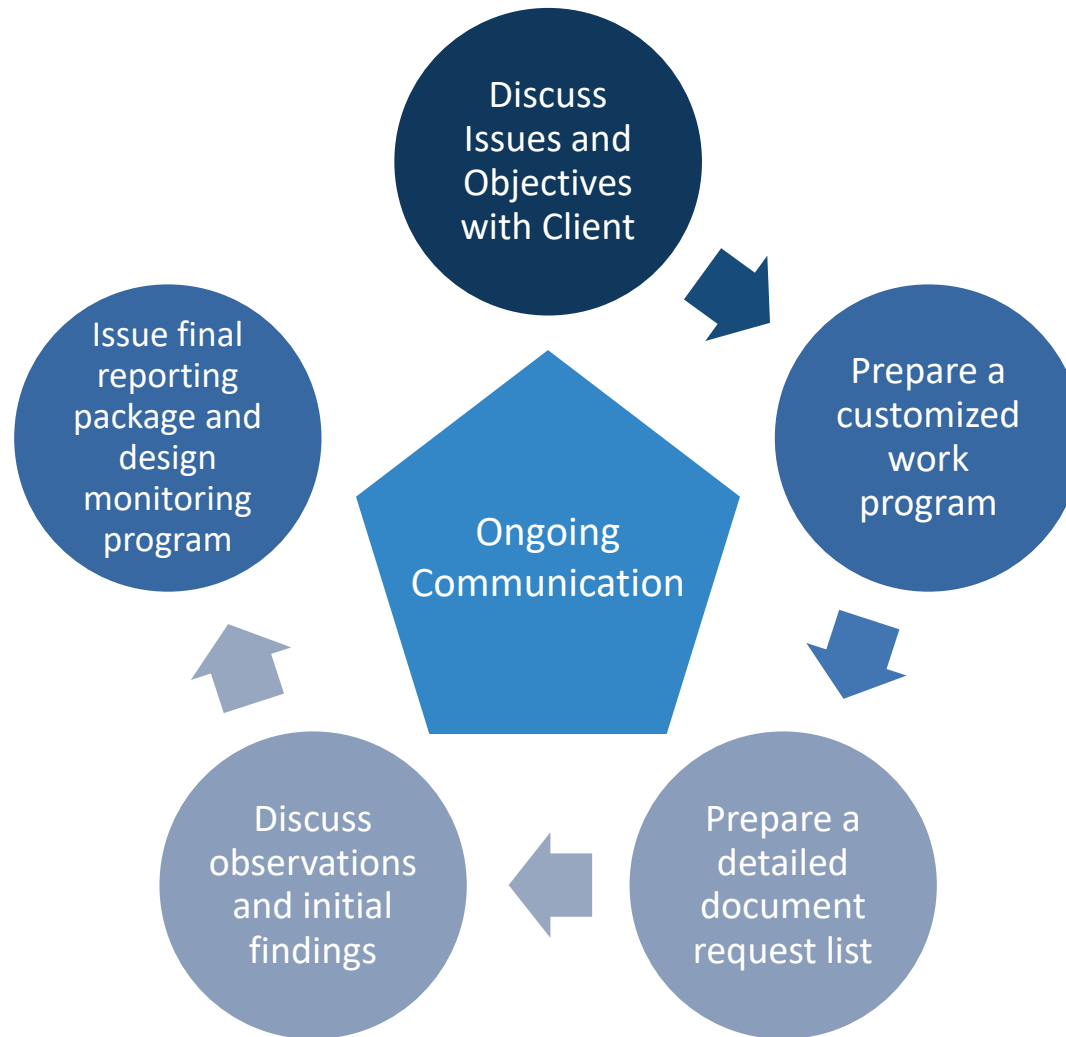
PRE-SALE PLANNING

- ❑ Lower retainer fees for clients that have completed the pre-sale planning program
- ❑ Get to market faster when ready to sell
 - ❑ Many of the required due diligence items will have already been collected
 - ❑ Our team will already be experts in your company's operations
- ❑ Smoother acquisition process due to a more organized transition plan.



Our Process

PRE-SALE PLANNING





Trevor Hulett Managing Director

Mr. Hulett has led M&A transactions in a variety of industries including manufacturing/industrial, software development/IT, business services and value-added distribution. Prior to joining the firm, he held senior level accounting and financial management positions in both public accounting and large corporate environments. Mr. Hulett began his career as a Certified Public Accountant with MPP&W, a St. Louis-based public accounting firm specializing in middle market companies. He then held various management positions in internal audit and corporate accounting with a Fortune 1000 industrial manufacturing company and also spent nine years with Enterprise Rent-A-Car Company as a department manager in the Corporate Accounting group. Mr. Hulett holds his Series 62, 63 and 79 securities registration. Mr. Hulett earned a Bachelor's Degree in Accounting from the University of Missouri, Columbia.



Robert L. Hulett Chairman Emeritus

Mr. Hulett founded the firm in 1981 and has negotiated and completed more than 200 transactions throughout his career. He began his career as a Certified Public Accountant and practiced with Peat, Marwick, Mitchell & Co. in St. Louis as an Audit Manager and in New York as the Director of Training for Private Business. Mr. Hulett has also served as Chief Executive & Board Member for various middle market companies. As an educator, he was an adjunct professor at New York University and a tenured faculty member at Lindenwood University in St. Louis. He conducted training sessions for middle market CPA firms throughout the country for more than ten years. Mr. Hulett earned his BS/BA Cum Laude in Accounting from the University of Missouri-Columbia, and an MBA from Lindenwood University.



David T. Vass
Director

Mr. Vass has over 30 years of business management experience including more than 10 years as President of a highly successful consumer products manufacturing company with revenues exceeding \$25 million. During this time, he not only reversed a declining sales and earnings trend, but increased both sales and operating income over 100%. In addition, he has spent over 20 years at the executive level of Vice President of Sales and Business Development. Mr. Vass also has experience in a number of other industry niches including: consumer products, commercial furniture and fixtures and metal recycling. He holds a Bachelor's Degree in Economics from DePauw University and an MBA from the University of Michigan.



Ron Litton
Director

Mr. Litton has been advising business owners in mergers and acquisitions since 2013. His primary industry focus areas have included industrials, paper and packaging, distribution, energy, promotional products and direct to consumer e-commerce. Prior to 2013, Mr. Litton held a variety of C-level roles with several companies in the paper and packaging industry including Unisource, Maverick Paper, Universal Graphics and Sabin Robbins. He has bought and sold a number of businesses, advised in the sale of family/founder owned businesses, and advised in start-ups and turnaround situations for banks, owners, and private equity firms. He enjoys working with owners that want to sell or transition out of their businesses. Ron covers the Kansas City and surrounding markets for the firm. He graduated from Central Missouri State University with a BS in Graphic Arts Technology and Management.



Ryan Hartman
Senior Analyst

Ryan provides analytical support for senior-level deal managers and, as a senior analyst, supervises the preparation of confidential memorandums, financial models and industry reports. Ryan graduated with a Bachelor of Science degree in Finance from The Freeman School of Business, Tulane University. Prior to joining the firm, Ryan worked as an equity analyst for Burkenroad reports, an equity research program that produces widely circulated financial reports on small-to medium-sized companies. During his time at Tulane University, Ryan was elected as Vice President of Administration for Tulane's community government, took extensive courses in Investment Banking M&A transactions, and volunteered as a data analyst for American Red Cross.



Charlie Meier
Analyst

Charlie joined R.L. Hulett & Company in 2023 and provides transaction support for senior-level deal managers including financial modeling, valuations, industry research, offering memorandums and a variety of presentations. Charlie graduated with a Bachelor of Science in Business Administration Degree with a major in finance and banking from the Trulaske College of Business, University of Missouri. Prior to joining the firm Charlie worked as an investment analyst for the University of Missouri's Investment Fund Management Program. During his time at University of Missouri, Charlie was elected as Recruitment Chairman for the Phi Delta Theta Fraternity and took extensive courses in Banking.



Lynda Hulett Marketing & Administration

Lynda Hulett leads the firm's marketing, administrative and communication efforts. She maintains the firm's proprietary CRM database, manages outbound firm communications and provides administrative support to senior deal managers. Prior to joining R.L. Hulett, Lynda spent the previous ten years in various marketing and administrative functions. Most recently, she worked as a client liaison providing administrative support for a CPA firm. Prior to that, she was employed by Moneta Group, a financial services advisory firm, where she provided marketing and administrative support to the client managers. Lynda graduated from the University of Missouri – Columbia, receiving her business degree with an emphasis in Marketing.



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