

EQUITY
REVITALIZATION™ASSESSMENT
INVESTMENT
GROWTH
EXIT

The Equity Revitalization™ program provides the necessary financing to grow a business to its optimum value before a seamless transition. Cutwater Shift and Redwood Capital Group bring the necessary components to identify, grow and exit eligible sector-focused companies. Business owners, investors and employees all win!

WE REVITALIZE EQUITY AND SEAMLESSLY EXIT
MIDDLE-MARKET BUSINESSES

The National Association of Corporate Directors has identified that **40% of private business owners will retire in the next five years**. This presents quite a puzzle as to when their business will be at its optimum value, and more importantly, what could that optimum value be if all the right strategic moves were made over the next few years before exit. The Equity Revitalization program solves that puzzle.

Now more than ever, **the privately-owned businesses are facing a rigorous environment** when it comes to acquisitions and exits. Private Equity groups are more selective, the competitive marketplace in certain industries requires significant capital expenditures to remain competitive, and the social media and e-commerce marketplace requires you to be at the top of your game in all areas of your business.

Cutwater Shift and their investment banking partners are **specialists in identifying the optimum value of an organization**. We invest in sector-focused industries and all parties win when we **identify a strategic acquisition, bring the company to its optimum value and then seamlessly implement the exit transaction**. Equity Revitalization is the key to preserving your equity and subsequent wealth.

CASE STUDIES

- 62% increase in enterprise value over initial offer in 14 months.
- Cross-Border strategic sale for 100% higher than original offers
- Software company sold for 42% higher than previous offers
- Triple EBITDA in less than three years with incentive-based systems
- Provider of software & services sold at 50% more than Mngt expectations



WHAT IS EQUITY REVITALIZATION AND HOW DOES IT WORK?

The Steps

The **first step** in the process is we conduct a Salability ProfileSM. This profile looks at the business from a 360 degree and three dimensional view. The third dimension looks outside the normal valuation process to create value from strategic acquirers to establish an acquisition price well above what the original business would bring.

The **second step** is to crystallize the exit vision for the principals and determine the potential upside for the Equity RevitalizationTM program.

The **third step** is to begin implementing the program, or refer the business to the sector-focused investment banking partner for immediate exit.

The New M&A Industry

Equity RevitalizationSM is a system that brings **sophistication and comprehensive resources to middle market business owners** so they can compete in a rigorous merger and acquisition industry. With a good majority of baby-boomer business owners looking to exit their businesses in the near future, Cutwater Shift's performance-based system is balancing the scales in favor of those owners. As the businesses grow in revenues and profits, the acquiring entities benefit as well as they plug in growing entities customized to their preferences. "This makes the entire process seamless as we prepare a custom-designed transaction from the day we start our Equity RevitalizationSM program.

- Christopher Riley, CEO



“1.36 MILLION TO TWO MILLION BUSINESSES WILL BE FOR SALE”... ARE YOU PREPARED?

Quotes from the January 2015 Inc. Magazine article *THE EXIT LAB*:

“Thousands of owners sell their businesses every year, without knowing if the price or timing is right.”

“He had to settle for a price far below what the company would have commanded had he educated himself about the exit process before the crisis struck.”

“They've cut back on doing their own research and development and instead buy startups, in effect outsourcing a portion of their R&D.”

“The biggest challenge was the inexperience of the management team.”

“It typically happens because owners don't have an exit strategy and therefore aren't prepared when a good selling opportunity comes along.”

“We're heading into a period when exits are going to be very much on the minds of hundreds of thousands of business owners, especially aging baby boomers.”

“As a result, 1.36 million to two million companies would be for sale in the next five to 10 years [starting in 2012].”

“The fact is that if you have not yet begun thinking seriously about your exit, you're taking an enormous risk.”

“Many entrepreneurs have invested their lives in the companies they've started. To wind up with little or nothing to show for it is really heartbreaking.”