

FOCUS INVESTMENT BANKING ACQUISITION AND GROWTH FINANCING PROGRAM

FOCUS Investment Banking has developed an acquisition and growth financing program for acquisitive and growth oriented middle market companies. Commercial banking is under increased regulatory scrutiny leading to constrained senior debt lending. As a result, private, non-regulated lenders have expanded their role in providing capital to the middle market. These institutions provide investments in the form of junior, and in some cases, senior debt, allowing middle market companies access to capital to fuel their growth-oriented business plans.

FOCUS has successfully represented a number of clients in need of creatively structured growth capital. Some of the characteristics of these investments:

- Second lien or unsecured debt
- No personal guarantees
- Committed capital without a requirement to fund at closing, reducing carrying costs of capital until deployed
- Conservative debt leverage multiples allowing our clients to grow without placing their companies at undue risk
- Sophisticated lenders with experience in structuring transactions and negotiating inter-creditor relationships with senior lenders
- Interest only terms for extended periods of time and other flexible terms tailored to the individual client dynamics

The FOCUS process and value proposition:

- FOCUS gains a keen understanding of the client's business model and growth objectives
- FOCUS develops a suggested structure and determines parameters of the economics of a transaction. In many cases, we recommend a full recapitalization of the business to right size the capital structure for growth.
- FOCUS prepares a comprehensive confidential information memorandum and go to market strategy that seeks multiple competitive proposals from capital sources.
- FOCUS actively negotiates with each interested lending source. Our efforts not only focus on obtaining the best economics for the client, but also include negotiating favorable terms with other members of the capital structure, addressing structural concerns regarding potential constraints placed on the client and its owners, providing guidance to the client on how to enter the business relationship with capital providers, and assessing the capabilities and reputations of interested parties.
- FOCUS assists in managing the due diligence process and negotiating loan agreements, inter-creditor arrangements, and other key provisions of the transaction structure once the capital provider is selected. We work hand in hand with our clients through closing.

CASE STUDIES OF ACTUAL CLIENT EXPERIENCES

Case Study #1: FOCUS advised a client contemplating a sale that the company needed to reach \$100 million in revenue to obtain critical mass and demand a premium valuation in the marketplace. To accomplish this, the client engaged Focus to assist it in pursuing an aggressive growth by acquisition strategy. To support its acquisition strategy the client needed an expanded capital base. FOCUS was engaged to source additional capital without equity dilution. FOCUS secured debt capital for the client and was able to structure a transaction with a fixed interest rate, no equity dilution, no personal guarantees and without additional collateral. The credit facility provides for interest only payments and flexible terms related to future acquisitions.

Case Study #2: FOCUS was engaged by a high growth consumer finance company that had been unsuccessful in its attempts to raise \$50 million in capital to support its loan portfolio. FOCUS was able to secure debt capital with a highly regarded source of capital. Within a year of closing the initial transaction the client had grown its loan portfolio such that additional capital was required. FOCUS was engaged and was able to successfully source an additional \$25 million of capital by introducing a new participant to the capital structure.

Case Study #3: FOCUS was engaged by a company with an absentee owner to secure financing capital to support its growth by acquisition strategy. The absentee owner was taking significant cash distributions from the company to meet personal obligations. This could have been an issue with many capital sources. When FOCUS approached the marketplace, we addressed this situation up front. FOCUS' solicitation for proposals from capital providers included provisions for the owner to continue to receive distributions, while providing structural protection for the capital providers. FOCUS was successful in securing financing that not only provided for generous owner distributions but also excluded such distributions from the covenants used to determine financing multiples for future acquisitions.

Case Study #4: FOCUS was engaged by a company with an aggressive growth strategy that had been, and expected to be going forward, very active. Until engaging FOCUS, the company had financed its acquisitions primarily using seller financing. The seller financing was putting pressure on the capital structure and cash flows of the business, making it difficult for the company to effectively pursue its acquisition strategy. FOCUS was able to secure interest only debt financing sufficient to fully retire all existing seller debt and provide an additional \$30 million of capital for future acquisitions. FOCUS negotiated the terms of the financing to provide that interest only applied to funded amounts of the facility, potentially saving millions of dollars of carrying costs for the client.

CONTACT US

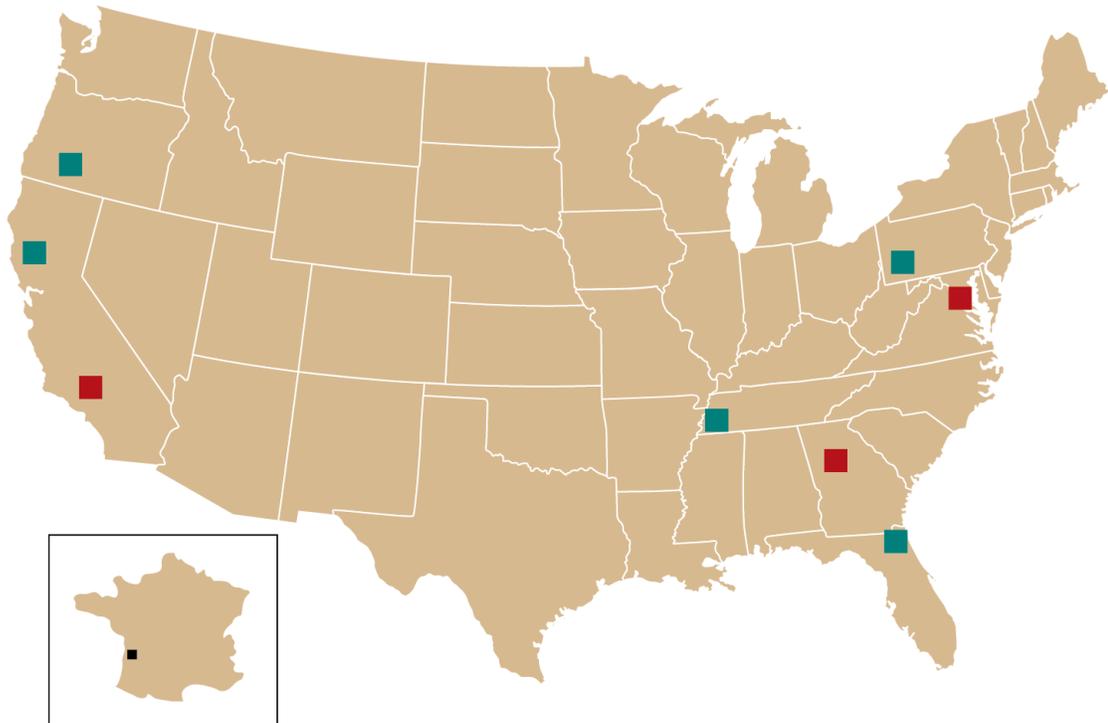
To learn more about the benefits of FOCUS corporate finance advisory services, please contact **Bob Beard** at bob.beard@focusbankers.com (or call 404-963-8256) or **Jonathan Wilfong** at jonathan.wilfong@focusbankers.com (or call 404-963-8252).

FOCUS

Investment Banking

FOCUS Overview

- Middle market investment bank since 1982
- Specializing in transactions from \$5 million to \$300 million
- Balanced mix of sell side and buy side M&A advisory services and corporate finance
- Deep expertise in several industries via industry groups
- 24 bankers and 36 senior advisors in 3 US offices - Washington DC HQ, Atlanta & Los Angeles
- 39 International affiliates in 34 countries via M&A Worldwide
- Subsidiary FOCUS Securities LLC, registered broker/dealer & member FINRA/SIPC conducts all securities transactions



■ OFFICES

Washington, DC (Corporate HQ Office)
Atlanta, GA
Los Angeles, CA

■ BANKER DOMICILE

Bend, OR
Charlotte, NC
Jacksonville, FL
Memphis, TN
Pittsburgh, PA
San Francisco, CA



FOCUS Value Proposition

Strategic

- We work to understand each client's strategic and financial objectives, craft the best plan to achieve these goals, and deliver success.

Dedicated

- With more than three decades of experience, FOCUS Investment Banking is a trusted name in the M&A Advisory services industry worldwide.

Personal

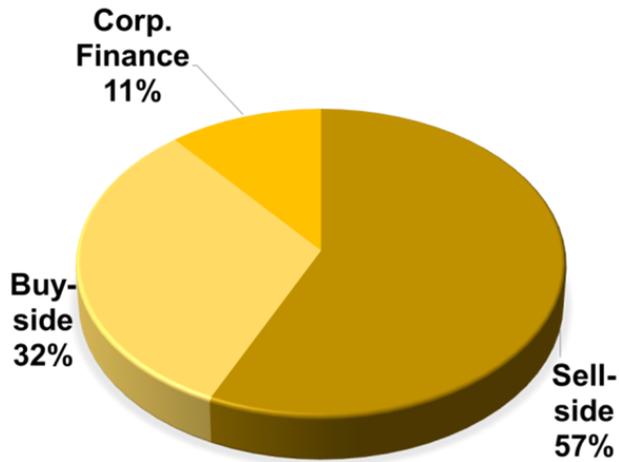
- Whether helping to sell, buy or raise capital, we strive to maximize the value of every transaction for the benefit of our clients.

Industry Groups Provide Targeted Expertise

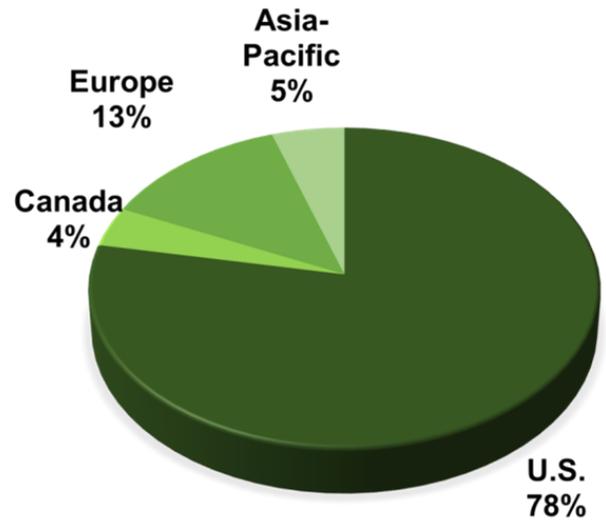


Experience 2005-2015

NUMBER OF TRANSACTIONS BY TYPE



TRANSACTION VALUE BY LOCATION



Securities transactions conducted by FOCUS Securities LLC, an affiliated company, registered Broker Dealer member FINRA/SIPC