

# Timing considerations for executing a transaction

## Determining the optimal timing for running a process

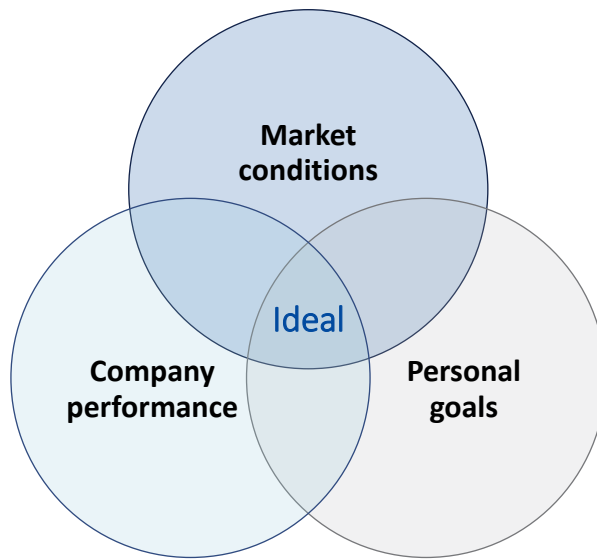




# Optimal timing for a transaction sits at the intersection of three factors

The decision to pursue a transaction should not be driven by any single factor. The strongest outcomes occur when market conditions, company performance and personal objectives are all aligned

## Determining process timing for founders



### Market conditions

Favorable market conditions can improve investor demand, terms and valuation

### Company performance

Growing businesses with strong and improving KPIs generally command higher valuations

### Personal goals

Personal goals and objectives should be a key driver of transaction timing

## External market forces impact demand and terms

### Capital markets drivers

- Key macro drivers include interest rates and cost of capital, availability of credit, equity market performance, geopolitical environment and risk appetite
- PE fundraising cycles/dry powder deployment pressure and strategic acquirer balance sheet strength/capital allocation priorities also play a key role
- **Overall, lower financing costs and abundant capital increase buyer competition, support higher valuations and improve certainty of closing**

### Competitive drivers

- Competitors acquired by well-capitalized PE or strategic buyers can compete aggressively on price to gain market share, and poach clients and employees
- Additionally, consolidation trends can create urgency among the remaining buyers, who often compete aggressively for founder-owned businesses
- **Competitive dynamics can shift quickly – strong buyers may move decisively when assets become scarce or when competitors gain scale**

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# Successful transactions are driven by momentum and founder alignment

Transaction timing is optimal when the business is performing at a high level and personal goals and objectives are aligned. Strong execution, compelling metrics and founder alignment drive investor confidence and valuation outcomes

## Business performance drives deal outcomes

*Buyers often pay premium valuations for growing businesses with strong tailwinds, so the best timing often coincides with peak performance and visible runway*

**Strong business momentum**

- 1 Consistent historical and projected **revenue growth**
- 2 High customer **retention** and predictable **recurring revenue**
- 3 Strong and improving margins, demonstrating **operating leverage**
- 4 Strong and improving metrics in **financial and operational KPIs**
- 5 **Credible financial reporting** and tracking of KPIs
- 6 **Well organized business** with strong management team

## Deal type and timing should meet personal goals



Desired liquidity outcome (partial vs. full exit)



Ongoing involvement post-transaction



Risk tolerance and wealth concentration considerations



Succession planning and leadership readiness



Personal timing factors (life events, diversification, etc.)



Alignment among co-founders and key stakeholders

**Aligning founder objectives with strong markets and company performance is key to success**

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## Strategic advice

A premium, high-touch firm where clients receive hands-on, senior level strategic guidance



**Mergers & acquisitions**

Strategic sales, majority recaps and acquisitions



**Financing advisory**

Minority equity capital and debt facilities



**Strategic advisory**

Strategic partnerships, JVs and exit strategy

We execute with the utmost care and precision to ensure that our clients achieve their goals



**Unbiased advice**

Founder and family focus avoids conflicts of interest



**Extensive support**

24/7 transaction support from our entire team



**Senior execution**

Multiple MDs execute daily on behalf of our clients

## Technology expertise



**Software**

- SaaS/PaaS – enterprise, SMB, B2C
- Software/services/hardware hybrids
- Data platforms and solutions
- Software development



**Services**

- Ecommerce platforms & services
- Tech-enabled business services
- Digital marketing services
- Media platforms



**Hardware**

- Commercial & industrial hardware
- Consumer devices & hardware
- Internet of Things (IoT) systems
- Advanced manufacturing

## Selected transaction experience

B2B Software



*Strategic sale*



Founder owned

B2B Software



*Strategic sale*



Founder owned

B2B Software



*Majority equity recapitalization*



Founder owned

IoT Systems



*Majority equity recapitalization*



Family owned

Tech Services



*Minority equity recapitalization*



Partner owned

Tech Services



*Strategic sale*



Founder owned

**\$50+** | AGGREGATE  
BILLION | DEAL VALUE

**100's** | CLOSED &  
TRANSACTIONS | FUNDED

**30+** | TRANSACTED  
COUNTRIES | IN GLOBALLY

**25+** | SENIOR BANKER  
YEARS AVG. | EXPERIENCE

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