



MERGERS & ACQUISITIONS

BLACK **HAT** HOLDINGS | Presentation

INVESTMENTS

Your trusted partner



Selling your Company

Thinking about selling your company or perhaps been approached by a potential buyer. To achieve a successful sale you will need to put in as much effort as you have put into building your business.



Preparing For Sale
Going To Market
Negotiating The Sale
Due Diligence
Completion
Handover To Purchasor



Our Process

We are principals undertaking acquisitions, NOT brokers. This means that we undertake the acquisitions ourselves, only working with our specialist JV partners on select deals depending on industry. Our team have the capability to assess and make an offer on your business swiftly – often within days of the first contact.

STAGE 1 - INITIAL REVIEW

STAGE 2 - NEGOTIATIONS

STAGE 3 - LEGALS & COMPLETION



Valuations

Aspirational values and actual values are rarely the same; our team applies common sense to provide you with a realistic and impartial appraisal, helping you to get your maximum value for your business.

Your individual circumstances are unique. Perhaps you've been approached by a buyer and you need to talk it through, maybe you're exploring the idea if a merger or MBO or you're considering your future plans and you want to discuss your options?

"The most important element of a successful M&A transaction is the correct valuation / deal price".

Get in touch for an informal chat

Maximising the value for your business

Investing in Great British Businesses

Early Preparation

Before placing your business on the market, you should start planning for the sale process. You want to start by looking at the most important factor that potential buyers are going to look at first, THE PROFITS.

Customers

Customer concentration represents a significant obstacle and will affect the sale-ability, valuation, and deal structure of a business-for-sale transaction. Customer concentration can significantly impact the valuation on a business.

Employees

Having a loyal and content work force with long term employees is always a positive attribute for a buyer seeking to acquire a privately held business.

Second Tier Management

You need to think about the business post sale, how will the company operate when you are not there anymore?

Financial Controls

Having good financial controls in place is important to demonstrate to potential buyer's that you have a good grasp on the numbers, which is ultimately the purpose of the business - GENERATE PROFITS.

Employees

Having a loyal and content work force with long term employees is always a positive attribute for a buyer seeking to acquire a privately held business.

Future Prospects

You need to be able to provide realistic, justifiable projections of future growth and earnings together with solid contracts, areas of growth identified and potential new markets. This shows potential buyers a path of improving bottom line profits.

Professional Advice

Professional advice is vitally important at this stage - adding value and potentially saving costs and maximising value.

You need to ensure you have advisers in ALL the relevant areas from accounts, tax, finance and legal matters together with mergers & acquisition specialists.

Document Checklist

A large amount of documentation will be required by the buyer, ensure you have these available and ready to ensure the process is not stalled waiting for papers.

Ensure you have a real reason for the sale

Steps to a successful transaction

Investing in Great British Businesses

An insight into our method

We are principals undertaking acquisitions, NOT brokers.

This means that we undertake the acquisitions ourselves, only working with our specialist JV partners on select deals depending on industry.

Our team have the capability to assess and make an offer on your business swiftly – often within days of the first contact.

Whether it's a succession plan for someone's life achievement or a break off from a larger parent company – we treat each acquisition with the same due care and diligence. We listen carefully to your goals and craft the plan accordingly, ensuring everyone is happy with the outcome.

Post sale?

Business owners are understandably concerned as to the fate of their business post-acquisition, this can be a deciding factor on whether to go through with an exit.

LONG TERM STRATEGY:

1 – Part of Buy-And-Build

Your business is acquired and added to a portfolio of similar business types, managed and run within the Group.

2 – Sole Acquisition

Your business is acquired and kept on an individual basis. This is usually when we see value in the company itself, out-with any other group projects we're working on. We'd look to optimise current operation and hold for the foreseeable future.

OUR PROCESS

STAGE 1 - INITIAL REVIEW

- Initial interest on target
- Receive information on target
- Initial assessment of accounts
- Indicative offer

STAGE 2 - NEGOTIATIONS

- Conference call with vendor
- Face to face meeting
- Detailed analysis of Target
- Timelines and exit discussion

STAGE 3 - LEGALS & COMPLETION

- Heads of Terms signed
- Due Diligence
- Sale and Purchase Agreement
- Completion and Handover

Driving great results for vendors

What is a company worth?

Investing in Great British Businesses

About valuations

In understanding and interpreting the "value" of a business, it is important to recognise that there are many different "types" and "levels" of value. The most common methods involves the estimation of "fair market value on a going concern basis" for the entire company, e.g. a 100% interest in the subject equity or assets/enterprise.

When valuing the entire company (100% control interest), it is necessary to distinguish between the value of "assets" (asset deal) and the value of "equity" (stock deal). In practice, owner-operated businesses are either sold on an "asset sale basis" or on an "equity sale basis" with the purchase agreement reflecting the unique aspects of each scenario.

A variety of factors will determine the chosen mode of sale, with buyer and seller negotiating price and an array of other "terms and conditions" including the type of sale.

"A business is worth what someone is willing to pay for it"

Fair Market Value

(International Glossary of Business Valuation Terms)

The price, expressed in terms of cash equivalents, at which property would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arms length in an open and unrestricted market, when neither is under compulsion to buy or sell and when both have reasonable knowledge of the relevant facts.

Going Concern

An ongoing operating business enterprise.

Liquidation Value

The net amount that would be realised if the business is terminated and the assets are sold piecemeal. liquidation can be either "orderly" or "forced"

We work with business owners and management teams

Backed by a highly experienced team of experts

Investing in Great British Businesses



Ased Iqbal
PARTNER

GLASGOW

ased@blackhatholdings.co.uk



Luis Guarin
PARTNER

GLASGOW

luis@blackhatholdings.co.uk

Our Experience

Our success depends on the talent and dedication of our people. Our experience investing in and building lower middle market companies has convinced us of the opportunity that exists to build value in these kind of businesses.

Our team embrace the traditional values of hard work, integrity, humility and team work to make any acquisition we undertake a success.

We work with a small number of select investors with whom we partner on each acquisition.

Structures and strategies need to be tailored to the bespoke needs of each M&A transaction, with adequate working capital and growth capital financing factored in.

A uniquely personal approach to service delivery

Get In Touch

Complete confidentiality assured

Investing in Great British Businesses



GLASGOW OFFICE

272 Bath Street

Glasgow, G2 4JR

Email: contact@blackhatholdings.co.uk

REGISTERED OFFICE

20-22 Wenlock Road

London, N1 7GU



If you would like to have an informal chat, please give us a call