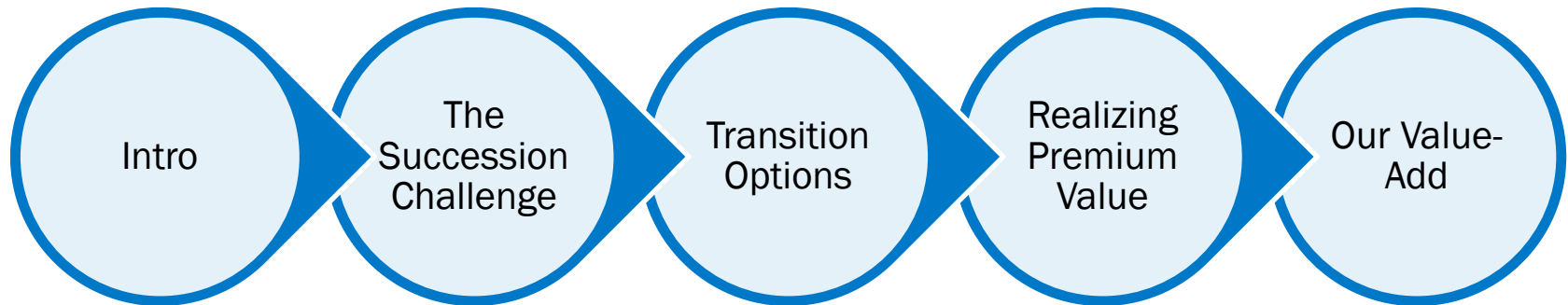




Realizing Maximum Business Value

November 17th, 2017

Agenda



Your Presenters



Paris Aden
Partner
paris.aden@valitascapital.com



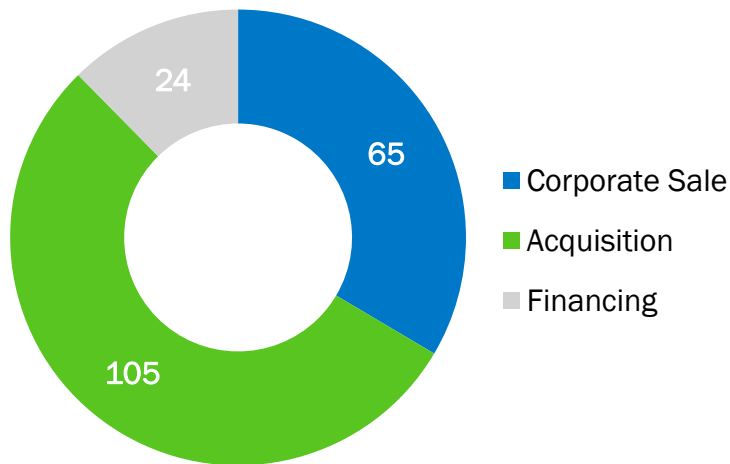
Geoff Bennett
Partner
geoff.bennett@valitascapital.com

Valitas Team Experience

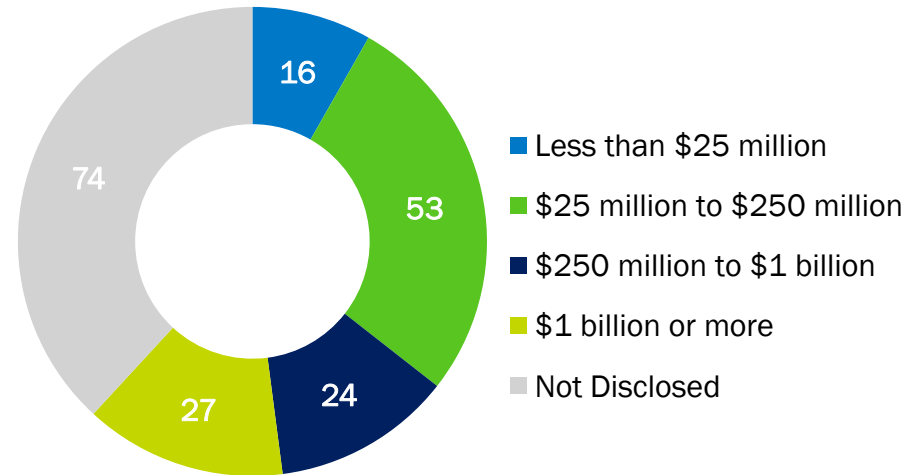
M&A Experience with Leading Global Firms

- Our team has completed some of the largest, most complex M&A transactions in Canadian history
 - Almost 200 transactions
 - Worth in excess of \$180 billion

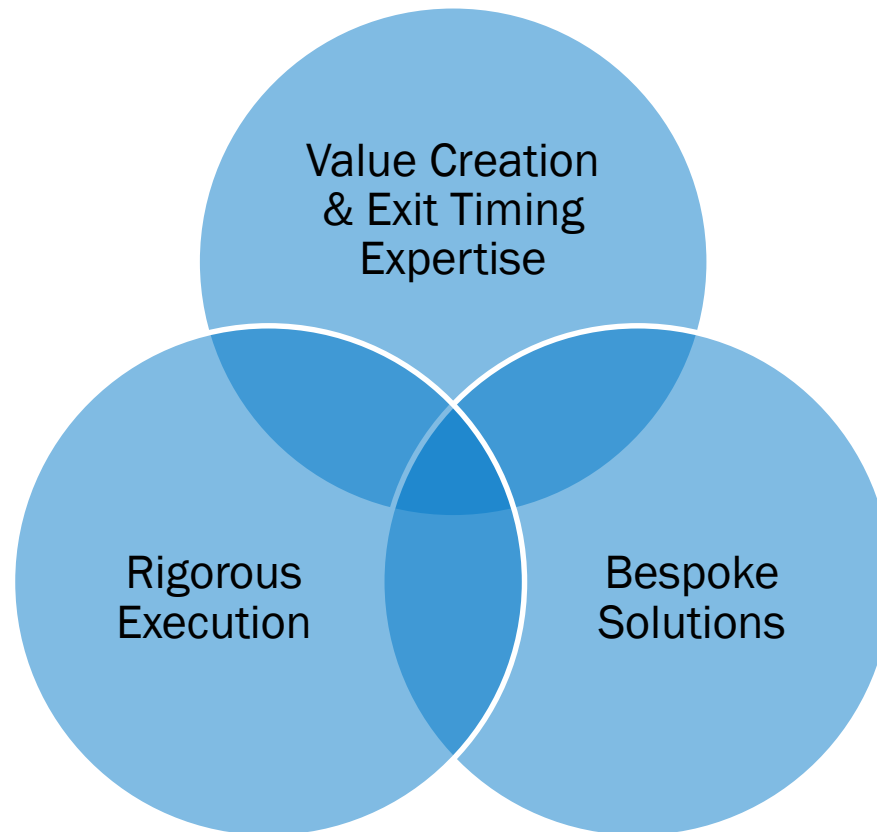
Transaction Types



Transaction Size Breakdown



Our Key Differentiators



Our Values

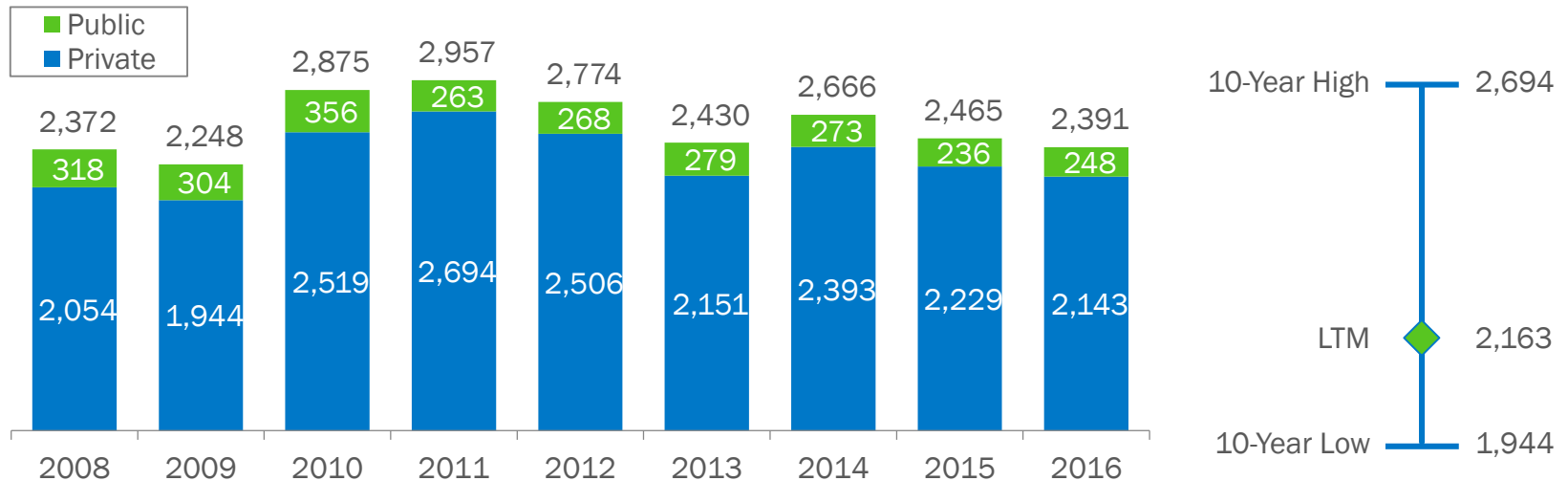
- 1 We respect our clients and recognize the legacy they have built.
- 2 We conduct ourselves with courage and integrity in everything we do.
- 3 We take pride in our problem-solving creativity and practical insights.
- 4 We set the industry standard for protecting client confidentiality.
- 5 We collaborate to deliver the best results for our clients.
- 6 We attract, develop and retain the best talent.
- 7 Ours is a relationship business, built on trust.

Unprecedented Liquidity Driving M&A Activity

US\$2 Trillion in Corporate Cash Balances

US\$2 Trillion in Private Equity Purchasing Power

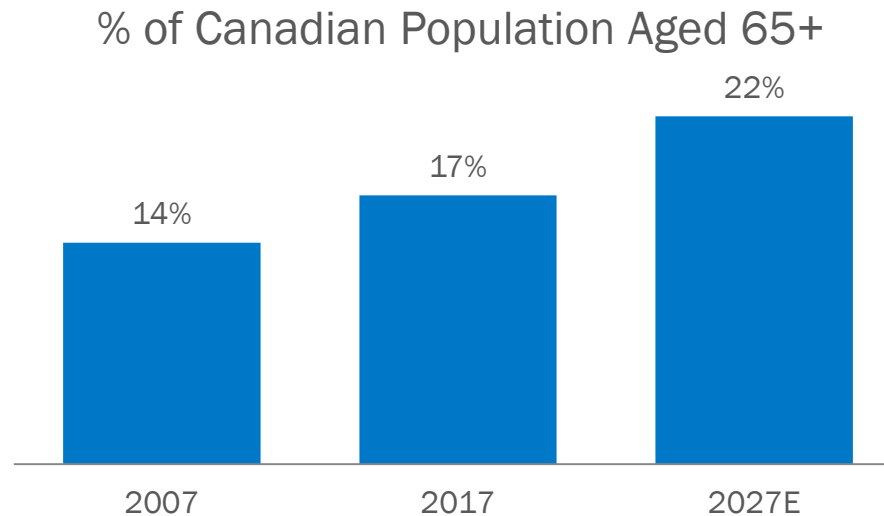
Annual Canadian Deal Count



Source: Capital IQ as of October 18th, 2017

Business Owners Are Aging

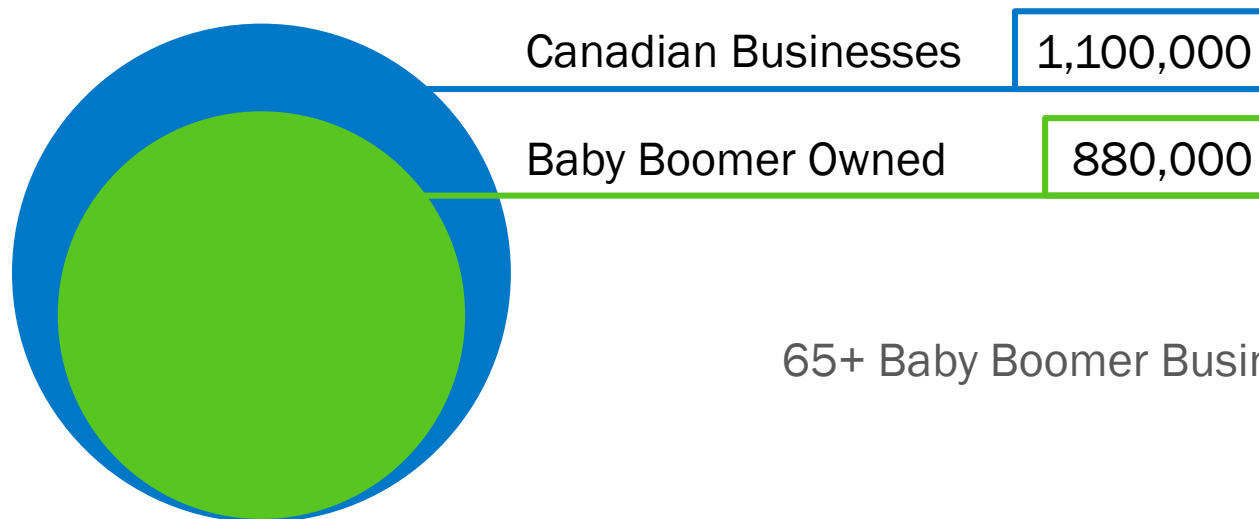
- Half of business owners plan to transition ownership in the next 10 years⁽¹⁾



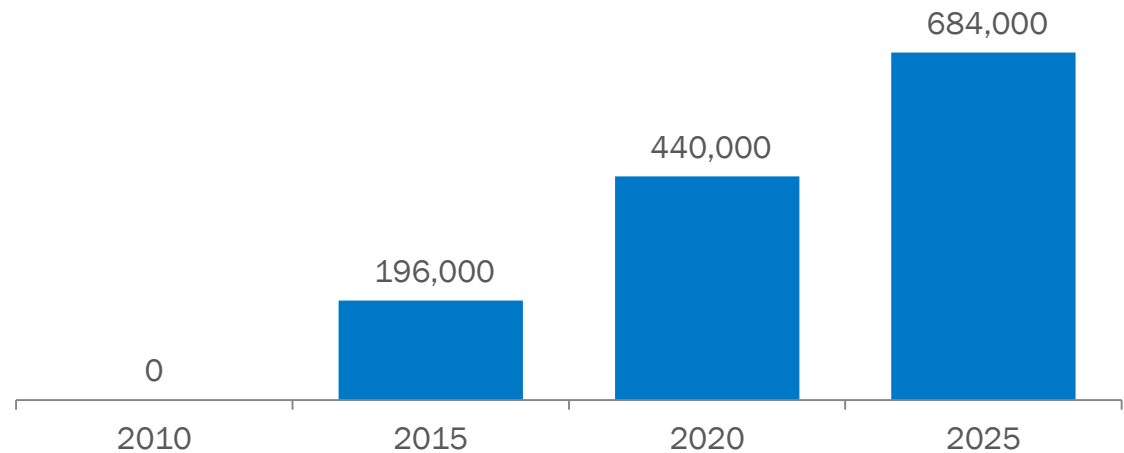
(1) CIBC

Business Owners Are Aging (continued)

Baby Boomers Represent Vast Majority of Canadian Business Ownership



65+ Baby Boomer Business Owners ^(1,2)

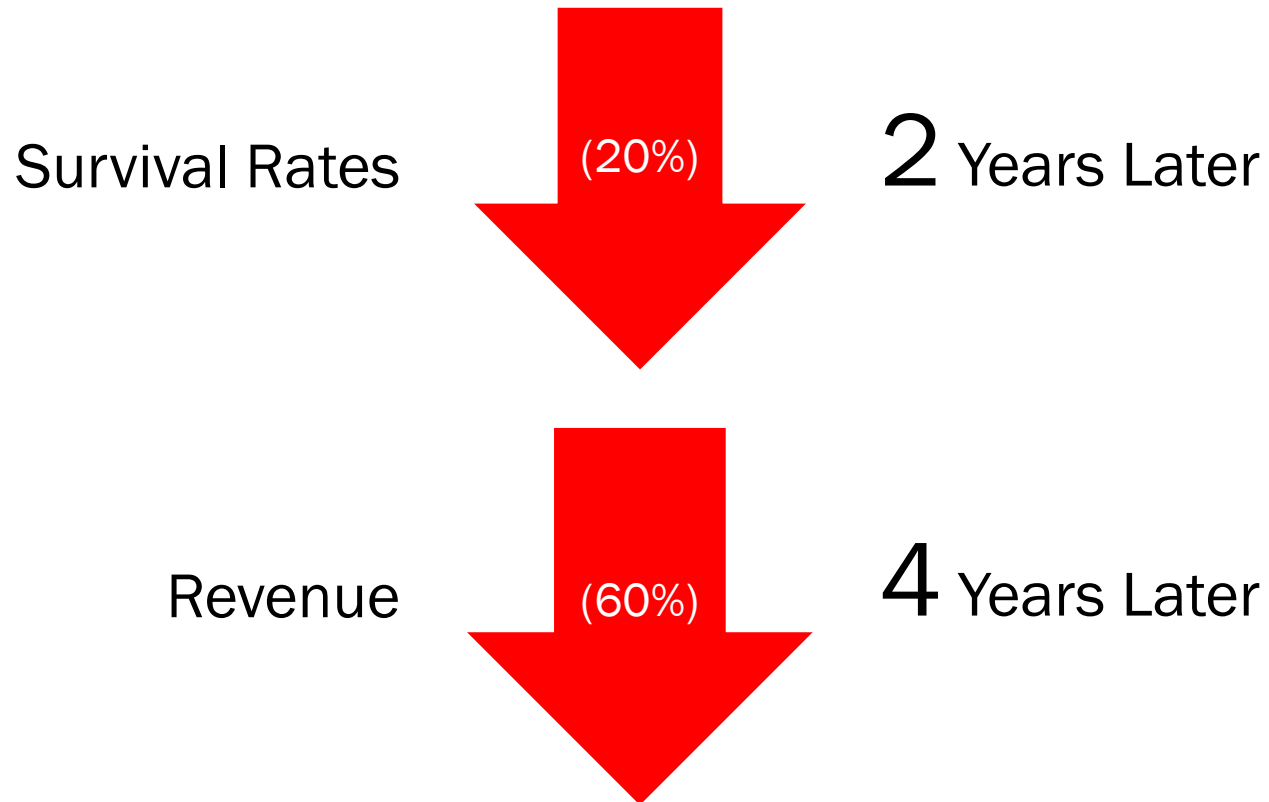


Sources: Geneva Canada Inc., Government of Canada

None of us are Getting out of Here Alive...



Impact of Owner's Death



Sources: Business News Daily, Forbes

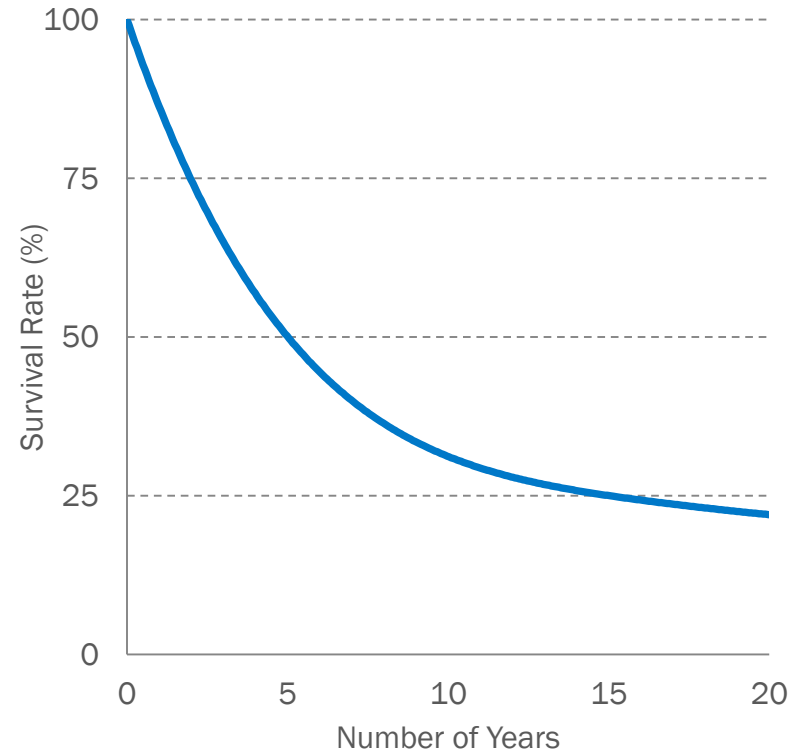
Businesses Are Mortal Too

Company Failure Rates

15% after
1 Year

50% after
5 Years

75% after
15 Years

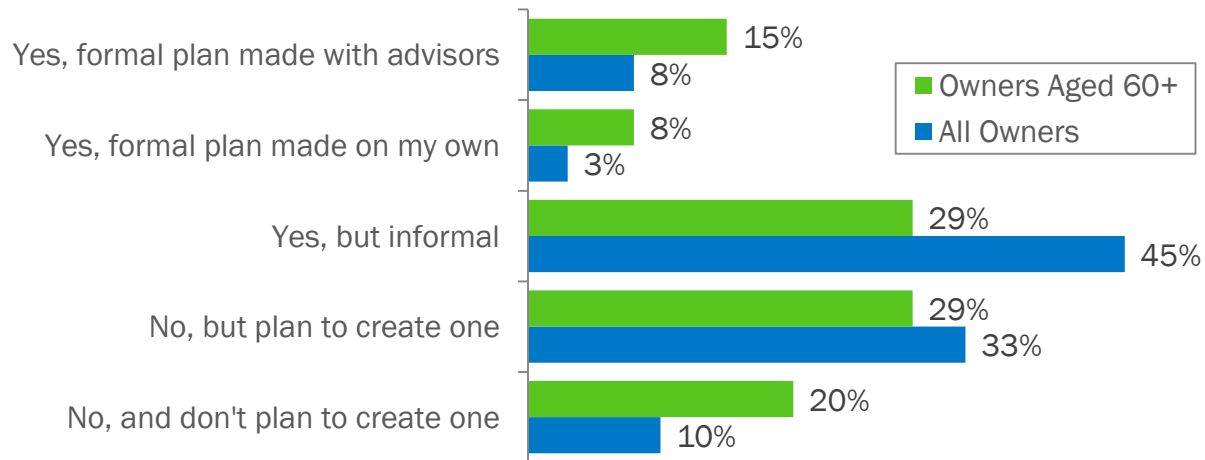
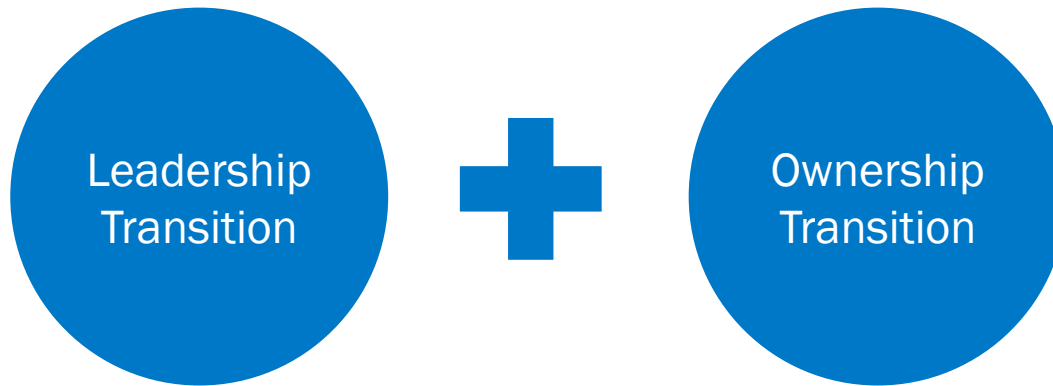


The Dow has changed its component firms 53 times over its 128 year history

Sources: Achieving Longevity

The Succession Challenge

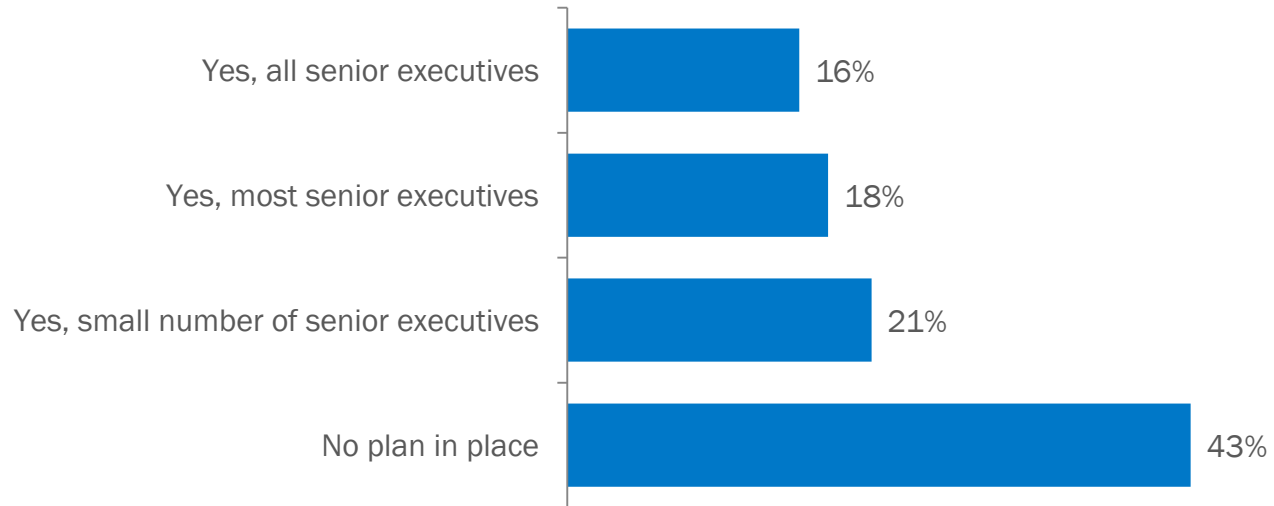
Owners Are Unprepared



Source: Newswire

Haphazard Leadership Transition

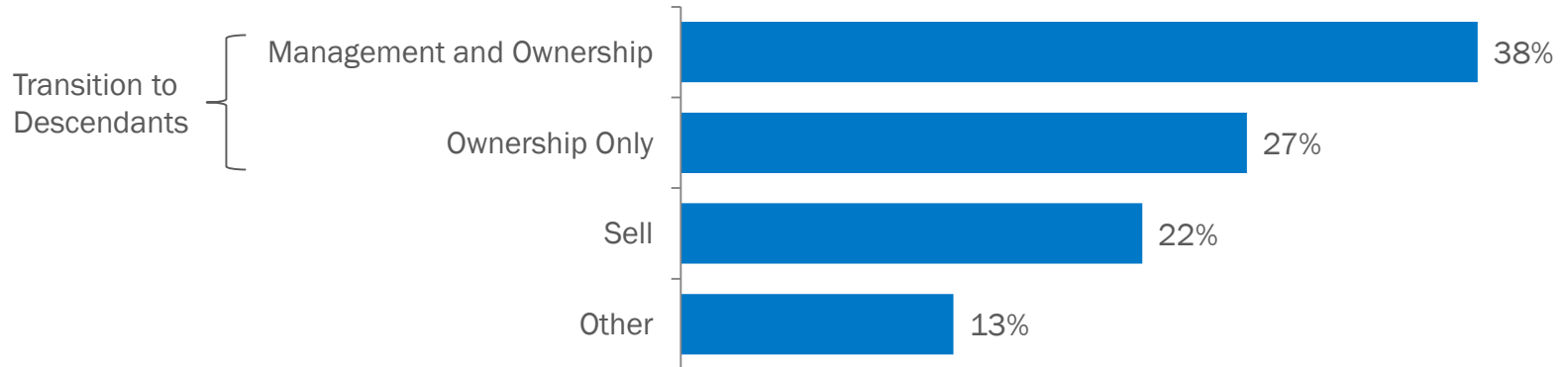
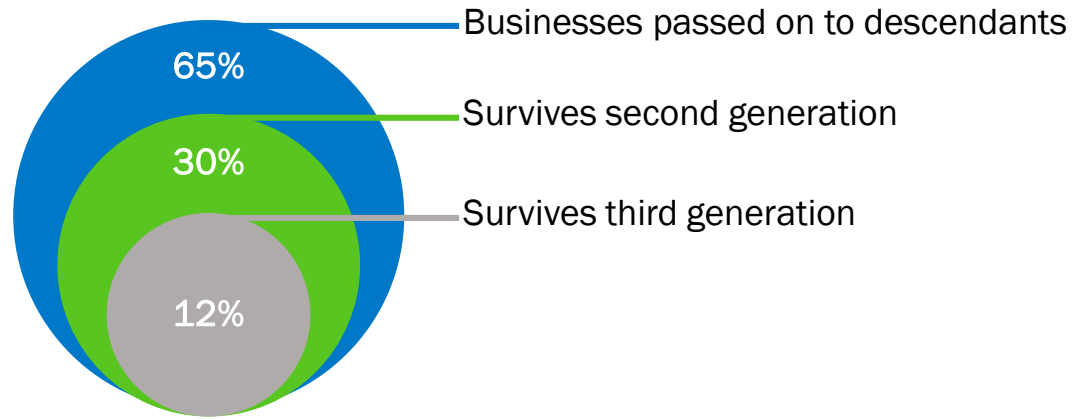
Have You Done Any Planning?



Start thinking about the future leaders of your business!

Source: PwC

Staggering Intergenerational Failure Rates



Source: Newswire

Some Advice...

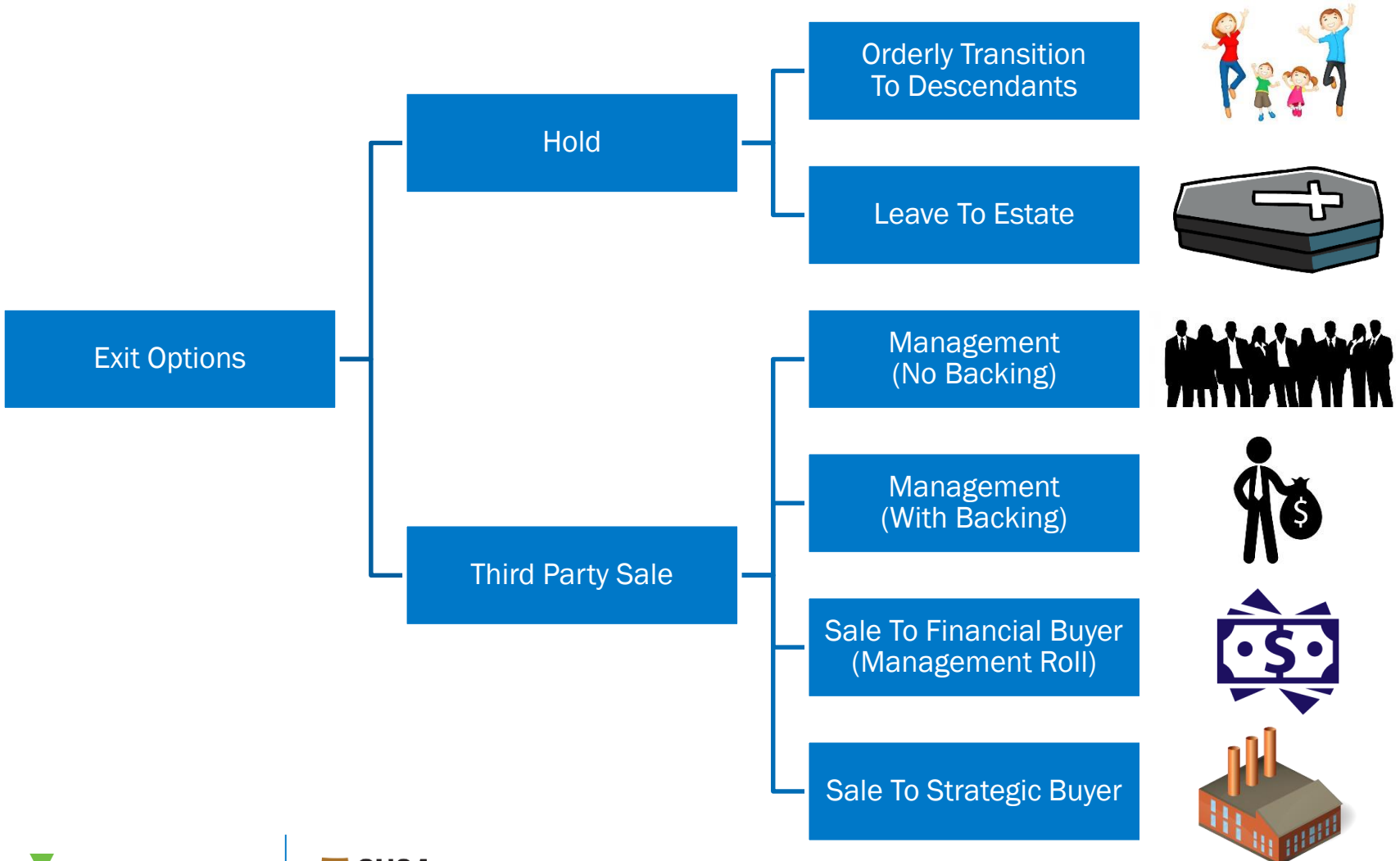
When planning for family business generational transition *identify every conceivable problem* that might arise.

Do that **early** and **ongoing**

Don't wait until one or more of those problems bites you in the wrong place, leaving you to conclude that you and others have spent *ten or more years* in what turns out to be **frustrating generational transition failure**

Ian Campbell, Business Transition & Valuation expert, quoting the best generational business transition advice he's ever received

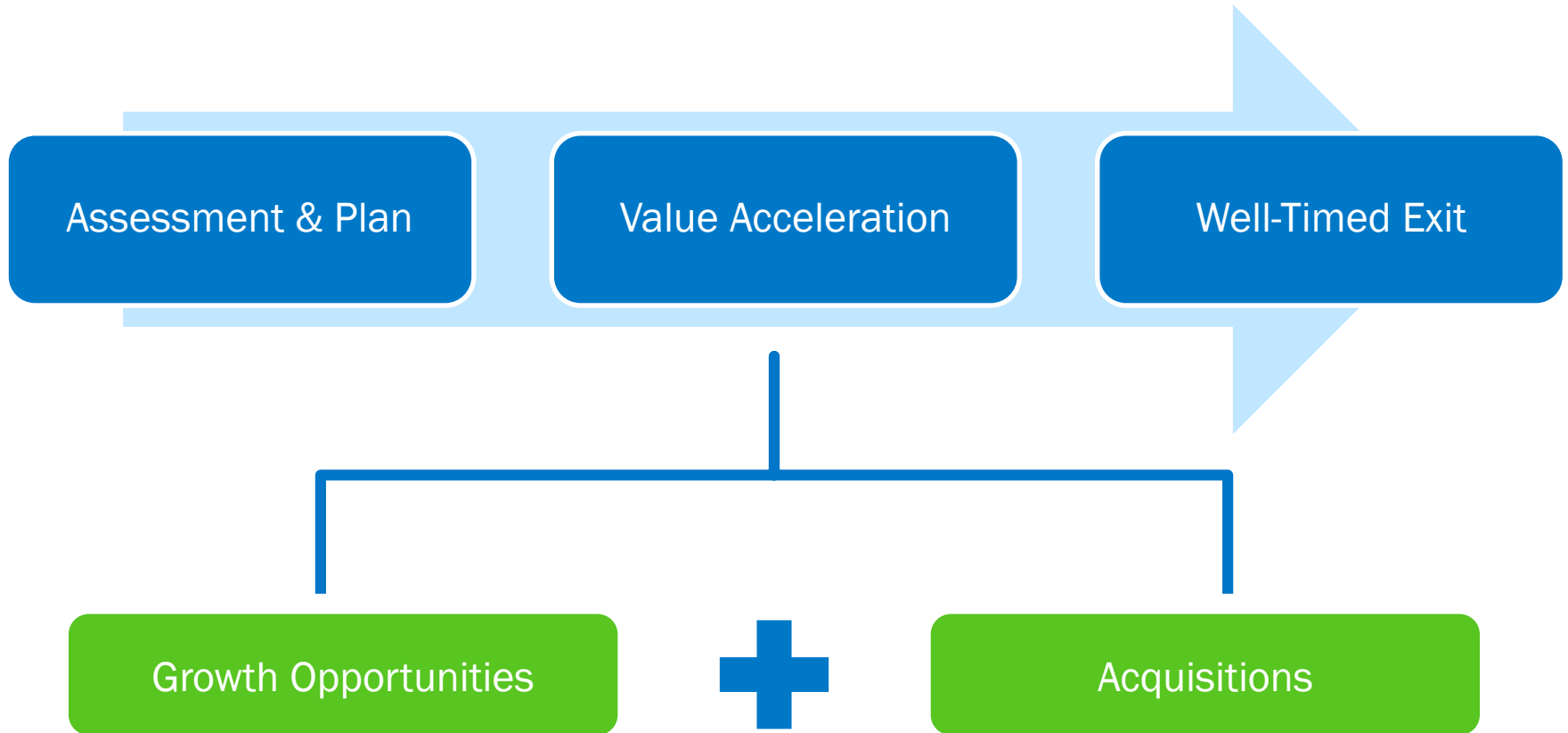
Your Exit Options



Ownership Transition Options

	Family Member	MBOs	Private Equity	Strategic
Pros	<ul style="list-style-type: none"> Reduce third party involvement Maintain control 	<ul style="list-style-type: none"> Limited due diligence Rewards management 	<ul style="list-style-type: none"> Fast-moving and sophisticated Discreet 	<ul style="list-style-type: none"> “Strategic valuations” Often realize synergies
Cons	<ul style="list-style-type: none"> Potential family conflict May lack leadership talent 	<ul style="list-style-type: none"> Management usually lacks capital IOUs vs. cash Failed purchase can affect morale 	<ul style="list-style-type: none"> Management equity “roll” “Gaming” the process 	<ul style="list-style-type: none"> Often slow and unsophisticated Risk of leaks

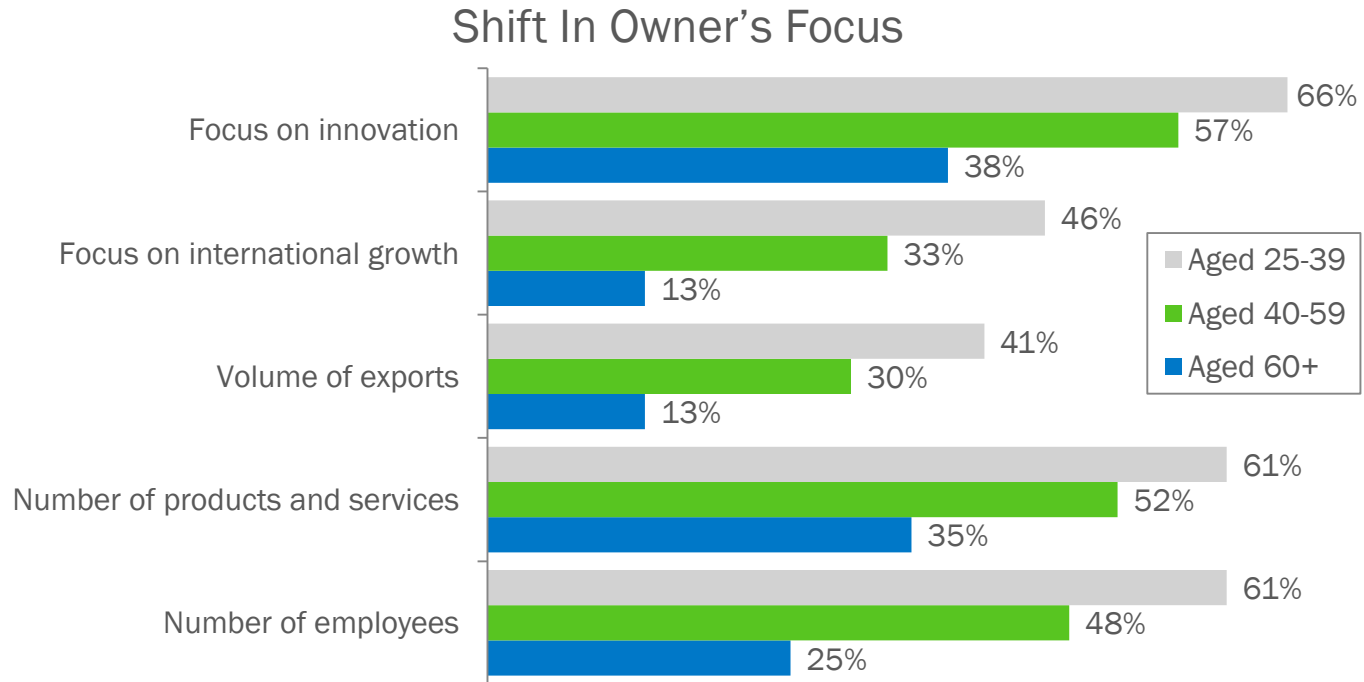
Value Creation Road Map



Positioning Your Company for Premium Value



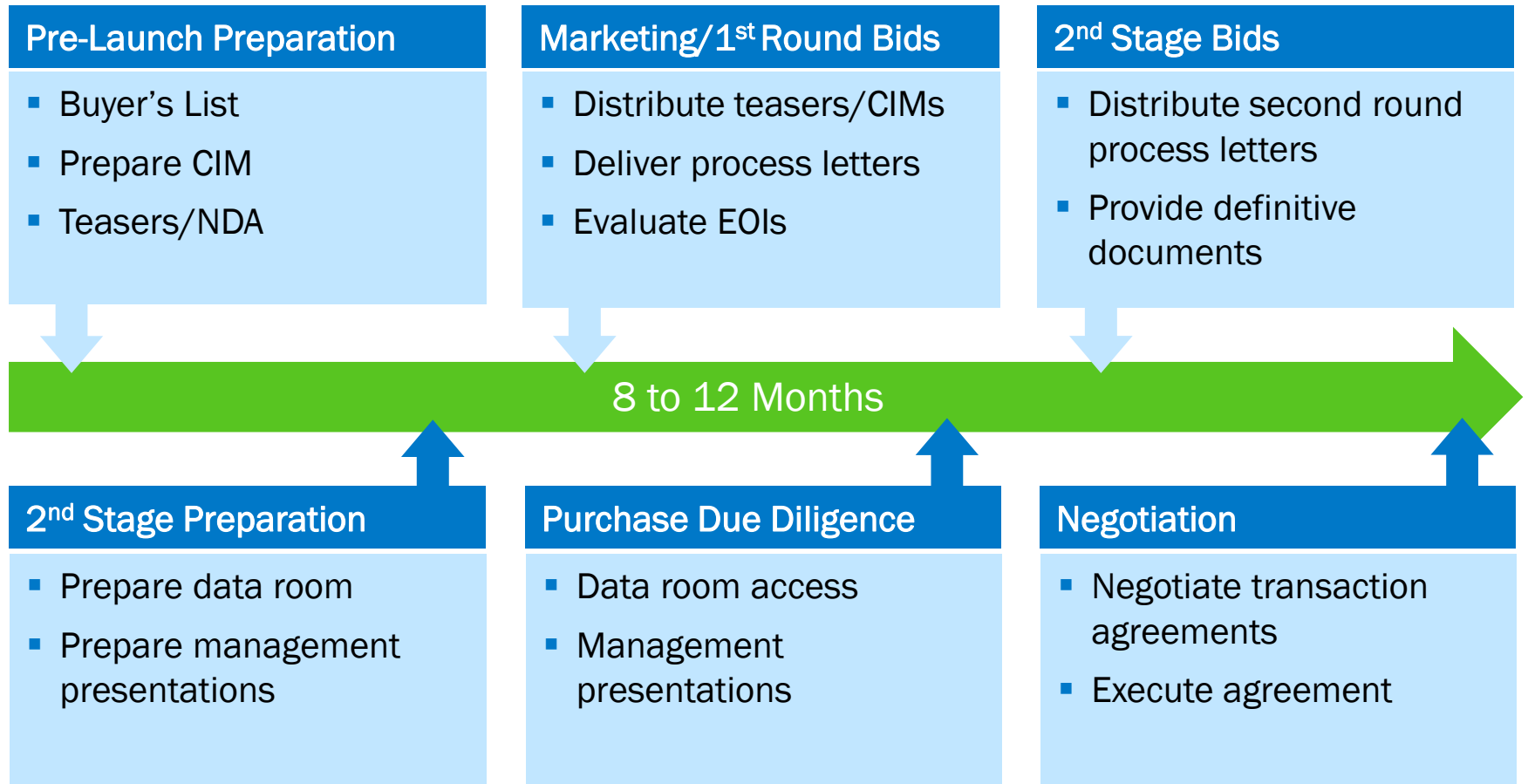
Aged Owners Slow Down Value Creation



Don't slow down before your exit, speed up for premium value

(1) Newswire

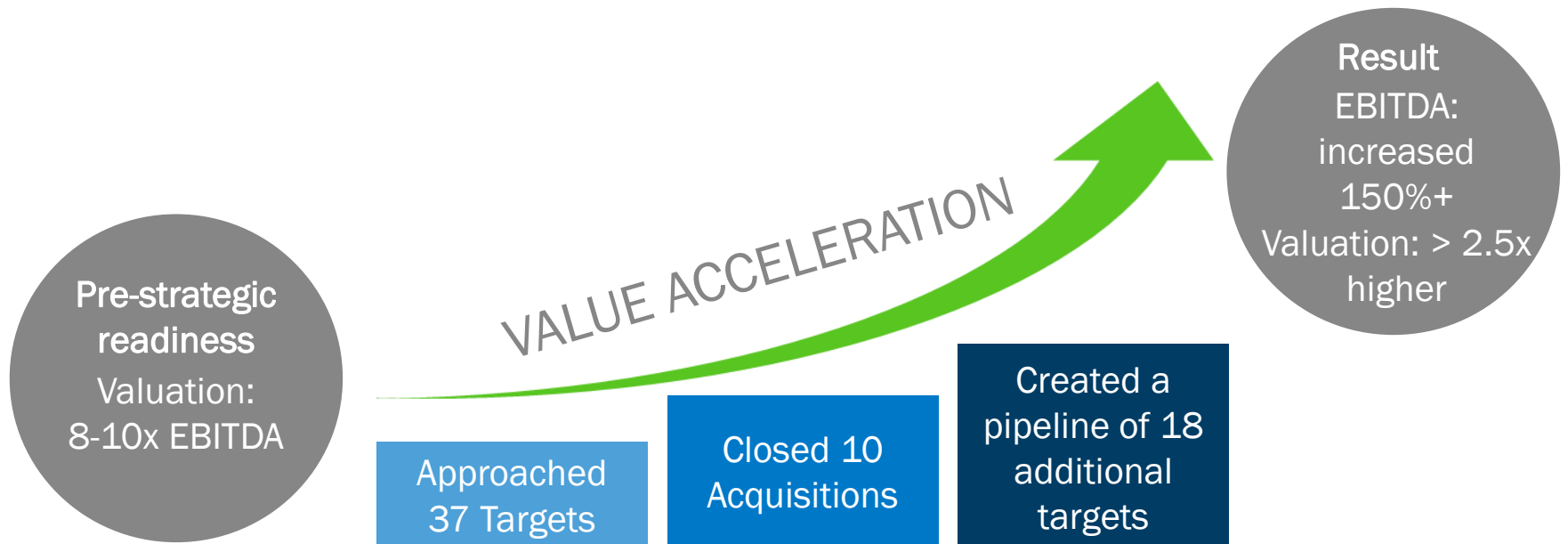
A Proven Process for Realizing Value



Island Hearing Case Study

The Situation

- Wanted to sell immediately
- Delayed the process by 12 months instead
- Acquired smaller clinics to unleash value



Island Hearing Case Study (continued)

The Result

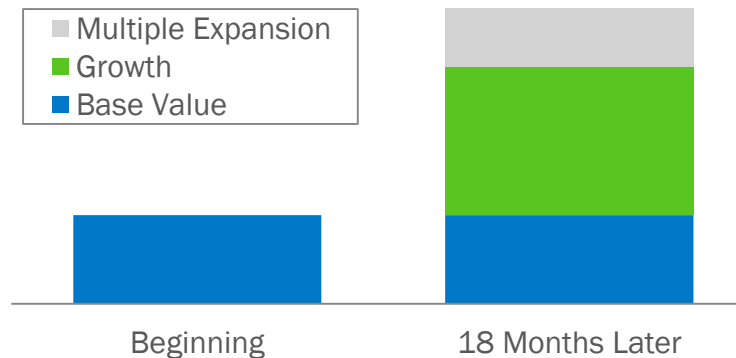
18 months later...

*the business sold for more than **2.5x initial valuation***

including an earn-out,

***98%** of which was paid within 3 years of closing...*

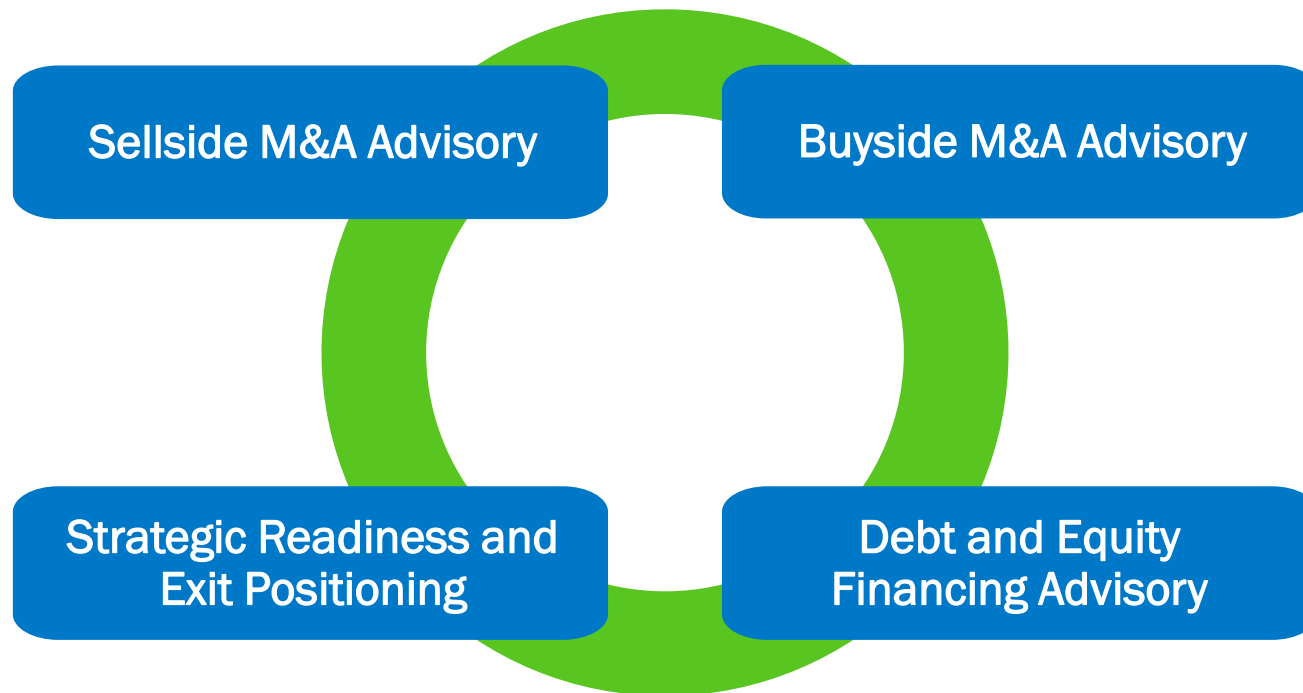
Valuation



Valitas Core Services

Value Creation, Rigorous Execution, Bespoke Solutions

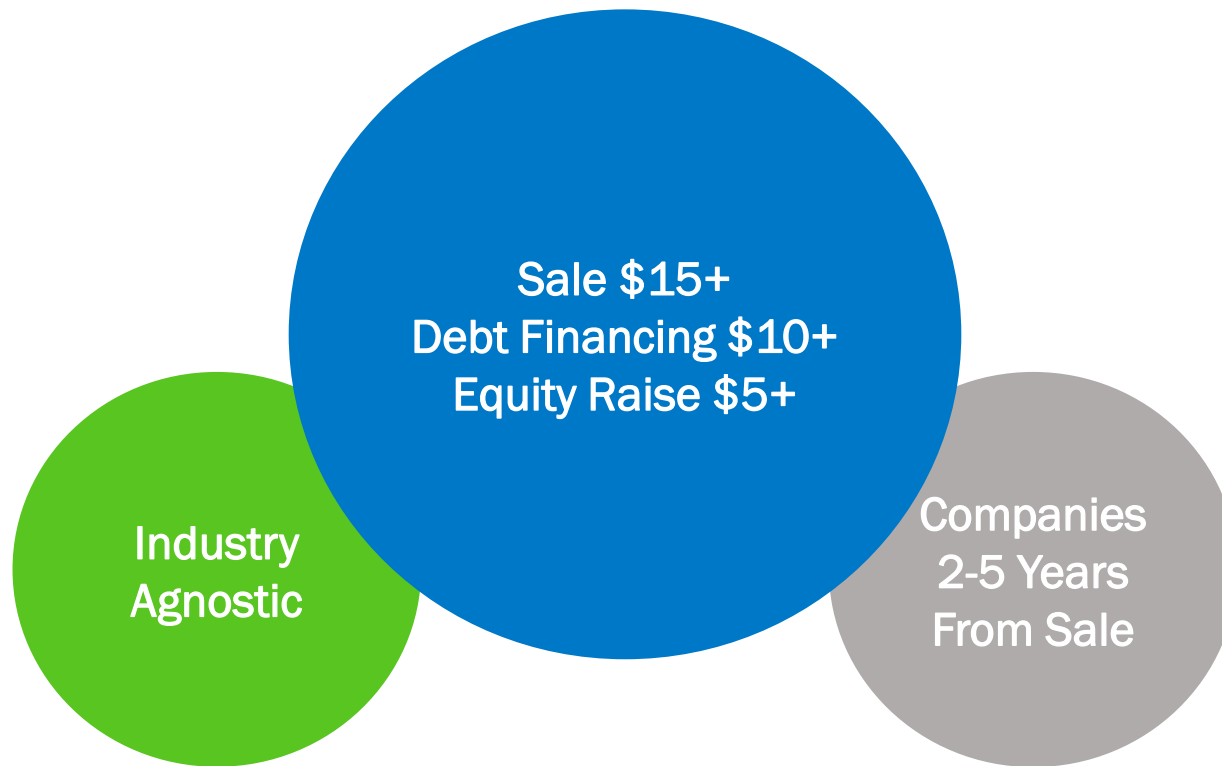
- Industry-leading advisory services:



Valitas Target Market

Situational Specialists

Target Deal Size (\$ millions)



Q&A





Valitas Capital Partners is a boutique advisory firm that collaborates with passionate business owners to unleash value over time and realize that value through a well-timed exit. Our work is bespoke, tailored to the unique priorities and circumstances of each client, recognizing the legacy they have built through years of dedication and sacrifice.

Valitas delivers global firm capability from an agile, entrepreneurial platform. Our value creation excellence is rooted in best practices developed by leading global investment banks and private equity firms. We have completed almost 200 M&A and financing transactions with an aggregate value exceeding \$180 billion, including some of the most notable and complex M&A transactions in Canadian history. Valitas' clients trust our thought leadership, experience, and privileged access to global networks to identify, evaluate and execute on their strategic opportunities.

Offices:

Toronto | Ontario

4 King Street West, Suite 402 M5H 1B6

Vernon | British Columbia

Box 1326, Vernon, V1T 6N6