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# Middle-Market M&A

## Atlanta & The Southeast



**Brian D. Corbett**  
**Managing Partner**  
**CCG Advisors**  
**404-575-1992**  
**[bcorbett@ccgadv.com](mailto:bcorbett@ccgadv.com)**

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# CCG Advisors

- Founded in 1994
  - A Merger & Acquisitions Firm Specializing in the Design and Implementation of Exit Strategies for the Owners of Closely Held Businesses
    - Strategic Growth and Exit Strategy Planning
    - Exclusive Business Sales
      - Strategic
      - Financial
    - Employee Stock Ownership Plans
    - Business Acquisitions
    - Capital Analysis and Acquisition
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# Clients & Engagements

- Entrepreneurial and Family Owned Businesses
  - Well Established
    - Average 15 Years in Business
    - Revenue Ranging from \$10 – \$100 Million
  - Focus Is On:
    - Preparing for the Ultimate Exit of the Owner
    - Proper Positioning of the Company
    - Execution of the Exit Strategy at the Appropriate Time
  - Our Fee is Contingent Upon:
    - Successful Implementation
    - Timely Execution
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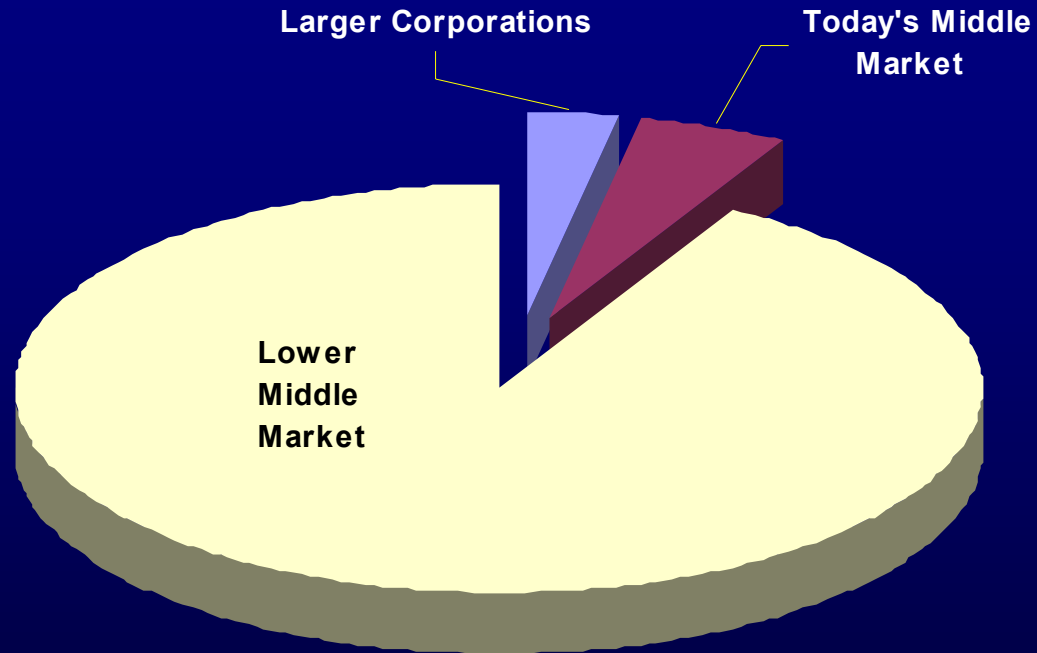


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# Exit Strategy Alternatives

- Sale of the Company to a Third Party
    - 100% Divestiture
  - Sale or recapitalization of the Company via a Private Equity Group (PEG) or other financial buyer
    - Minority or Majority - 30 to 85%
  - Sale of the Company to an ESOP
    - From 30% to 100%
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# The Lower Middle Market



<b><i>Larger Corporations</i></b>	<b><i>2,900</i></b>	<b><i>3%</i></b>	<b><i>Revenues: 250MM+</i></b>
<b><i>Today's Middle Market</i></b>	<b><i>6,000</i></b>	<b><i>5%</i></b>	<b><i>Revenues: 100 - 250MM</i></b>
<b><i>Lower Middle Market</i></b>	<b><i>108,900</i></b>	<b><i>92%</i></b>	<b><i>Revenues: 10 - 100MM</i></b>

\* Excludes Public Companies, divisions and subsidiaries of public companies.

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# Sunbelt Leaders

- Significant Opportunities for both Companies and Buyers in Sunbelt
    - Ability to Generate Revenue Year Round
    - Lower Cost Environment for Company and Workforce
    - Typically Non-Union
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# Sunbelt Leaders

- Southeast Represents a Significant Portion of the Sunbelt's Economy
- Led by:
  - Georgia
  - North Carolina
  - Florida
- Largest Private Sector Workforces
- Significant Growth in Jobs Over the Last 5 Years
- Atlanta Still Leads with the Most Private Sector Jobs
- Florida and North Carolina are Now Leading In Terms of Job Creation

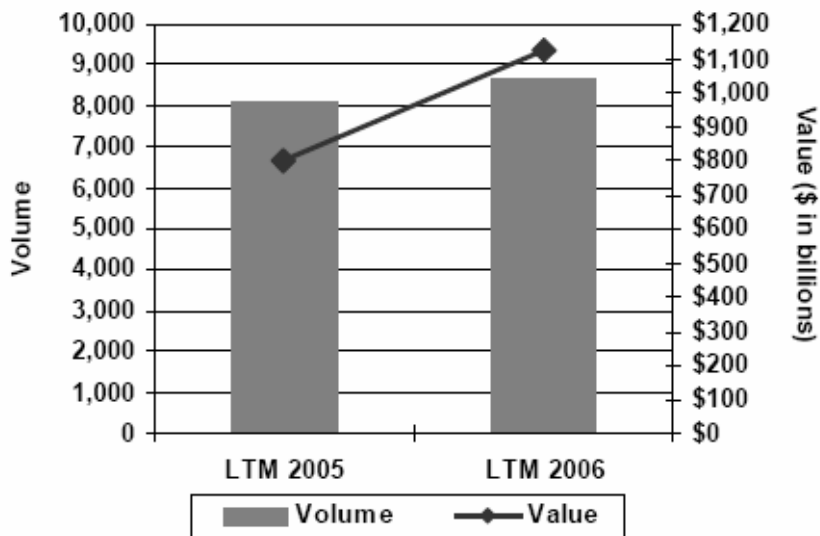


# Domestic Transactions

## Domestic Transactions

(\$ in billions)	Value*	Volume
LTM: 2005	\$799.9	8,127
LTM: 2006	\$1,126.2	8,680

LTM 2005 vs. LTM 2006



\*Total value based on deals with reported values

Source: Thomson Financial Securities Data Corporation

LTM median deal value for 2006 is \$34.1 million compared to \$26.0 million for 2005.

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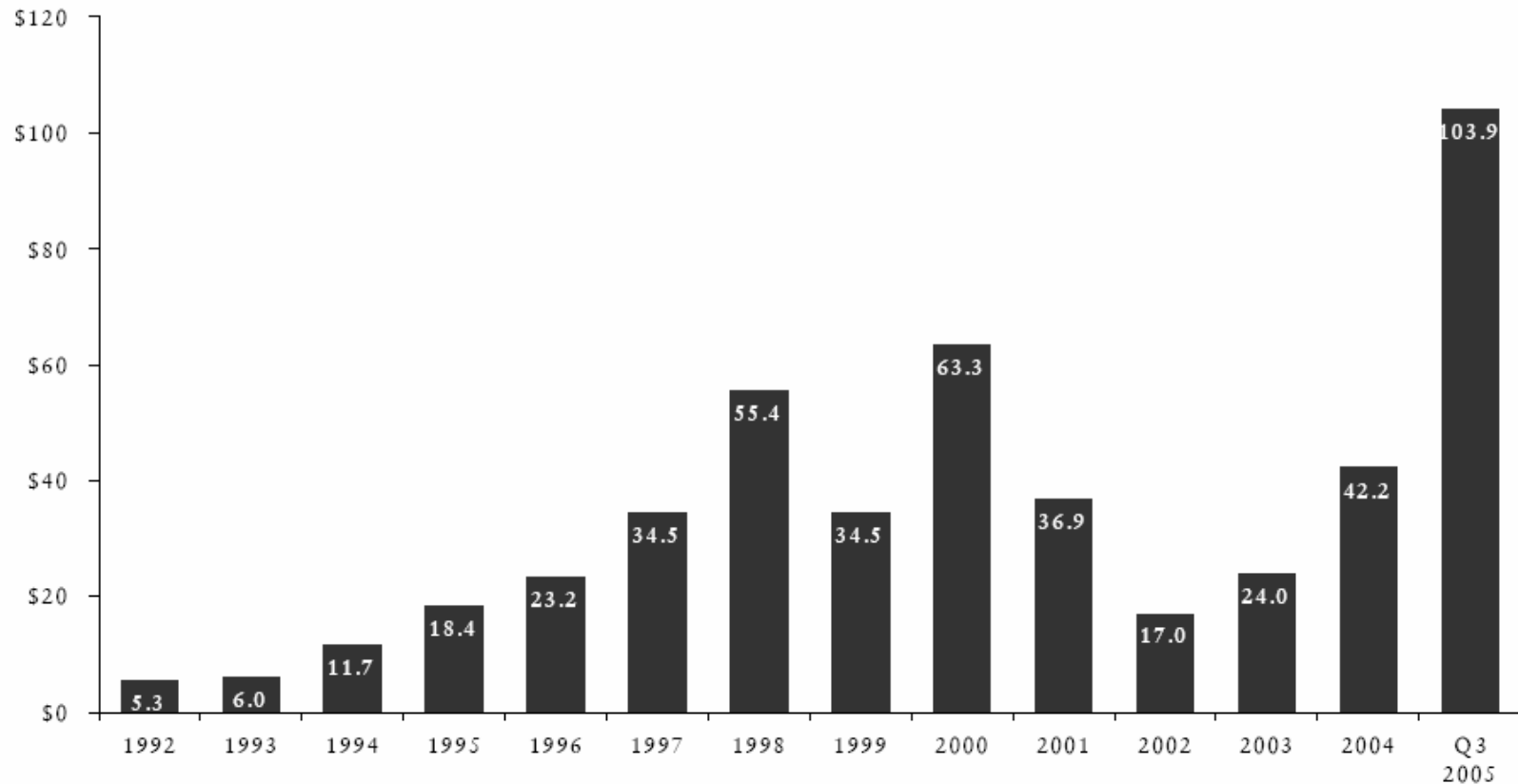
# Domestic Transactions

- What is Driving This Growth?
    - Very Robust Economy
    - Strong Lending Environment
    - Increased use of Mezzanine Financing
    - EXPLOSION IN PRIVATE EQUITY CAPITAL
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# Domestic Transactions

## PRIVATE EQUITY FUNDRAISING

(\$ In Billions)

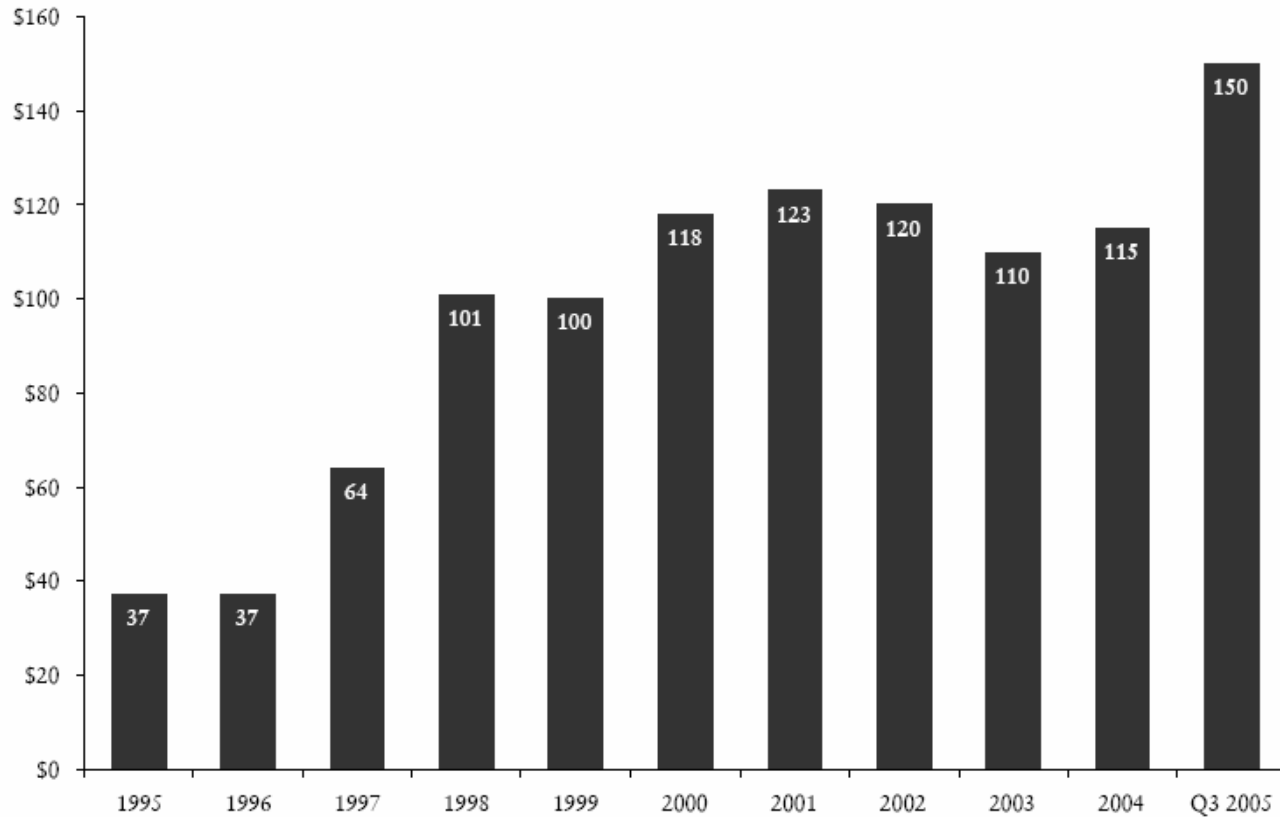


Source: Buyouts

# Domestic Transactions

## UNINVESTED CAPITAL

(\$ In Billions)



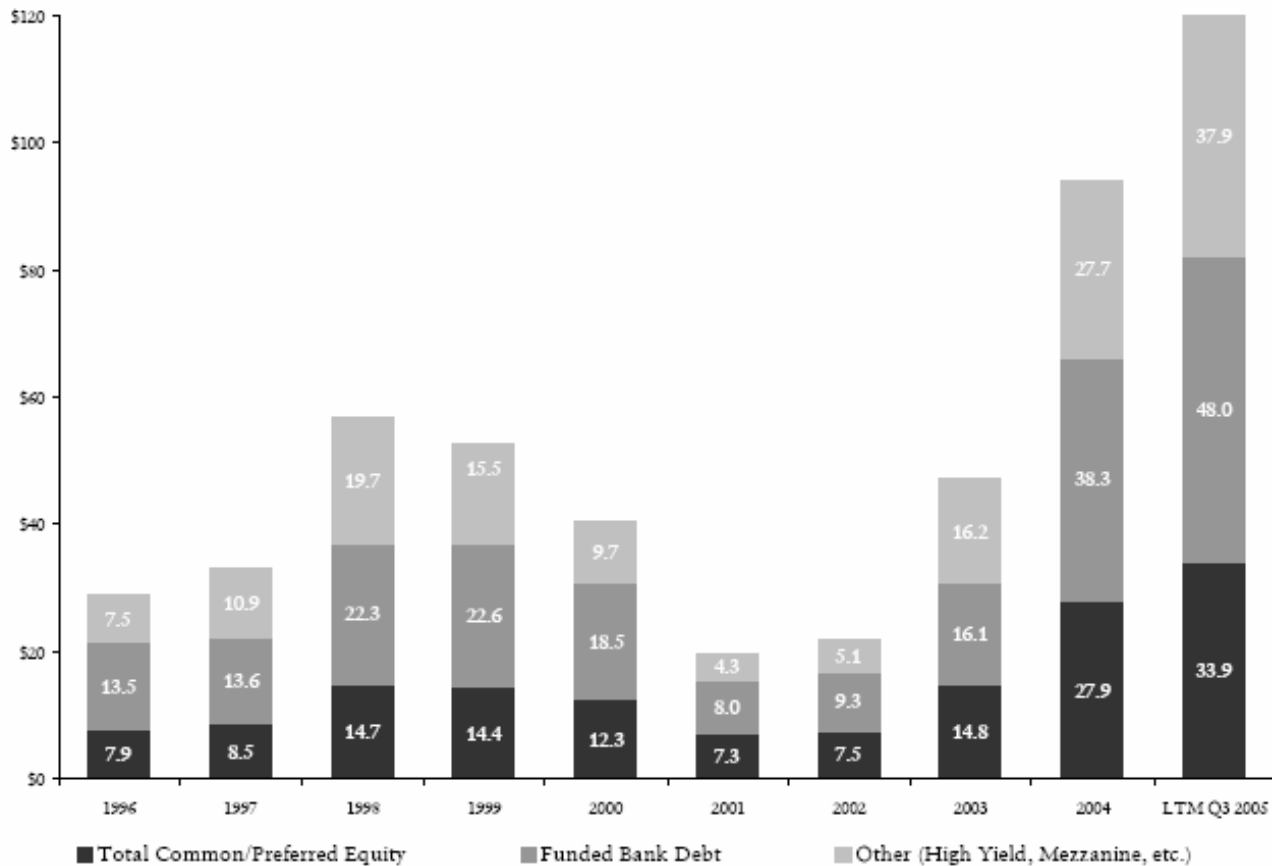
Source: Wall Street estimates and Piper Jaffray

Source: Piper Jaffray Mergers & Acquisitions Insights, Middle Market M&A Outlook 2006, December 2005

# Domestic Transactions

## LBO VOLUME

(\$ In Billions)



Source: Portfolio Management Data LLC

Source: Piper Jaffray Mergers & Acquisitions Insights, Middle Market M&A Outlook 2006, December 2005

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# Private Equity Groups (PEG)

- Paid to Raise Capital and Buy Companies
    - Pay Points
  - Buy or Die
    - Return the \$\$\$?
  - Promised Return to Investors of 20-30%
  - Alternate Source of Capital
  - Knowledgeable Buyers
    - Process
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# Private Equity Groups (PEG)

- Shopping Lists
  - Intellectual Capital
  - Varied Deal Structures
    - Continued Upside
  - Desire to Grow Business More Quickly
    - Acquisitions
  - Exit by Definition
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# Capitalizing on Today's M&A Market

- Seller – Now is the Time
    - Seek the Advice of Deal Oriented Professionals
    - Position Yourself for Your Exit
    - Grow Your Business with the End-Game in Mind
  - PEG Buyers
    - Educate Business Owner Targets and Their Advisors as to Your Differentiated Approach
  - Strategic Buyers Take Note of:
    - PEG's Alternative Deal Structures
    - PEG's Focus on Maintaining Entrepreneurial Environment
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# Summary

- CCG is an Atlanta Based Firm Specializing in the Positioning and Sale of Middle-Market Companies
  - The Current Market is Very Strong in Terms of Both Deal Volume and Prices Being Paid
  - Growth in PEG Numbers and Capital Raised
    - Less Cyclicity
    - Continued Driver of Activity
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# CCCG *Advisors*

“The Strategic Growth & Exit Strategy  
Specialists for Privately Held Companies”

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