Middle-Market M&A
Atlanta & The Southeast

Brian D. Corbett
Managing Partner
CCG Advisors
404-575-1992
bcorbett@ccgadv.com
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
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
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%
The Lower Middle Market

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

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

Source: Parallel Investment Partners, Overview, 2006
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
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

Source: The Atlanta Journal-Constitution, Sunday, May 21, 2006, Georgia 100
# Domestic Transactions

<table>
<thead>
<tr>
<th></th>
<th>Value*</th>
<th>Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>LTM: 2005</td>
<td>$799.9</td>
<td>8,127</td>
</tr>
<tr>
<td>LTM: 2006</td>
<td>$1,126.2</td>
<td>8,680</td>
</tr>
</tbody>
</table>

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.
Domestic Transactions

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

PRIVATE EQUITY FUNDRAISING
($ In Billions)

Source: Buyouts

Source: Piper Jaffray Mergers & Acquisitions Insights, Middle Market M&A Outlook 2006, December 2005
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
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
Private Equity Groups (PEG)

- Shopping Lists
- Intellectual Capital
- Varied Deal Structures
  - Continued Upside
- Desire to Grow Business More Quickly
  - Acquisitions
- Exit by Definition
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
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 Cyclicality
  - Continued Driver of Activity
Brian D. Corbett
Managing Partner
CCG Advisors
404-575-1992
bcorbett@ccgadv.com

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