

10 Things I'm Sure I Know About M&A

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Raymond James

Steve Hufford
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RAYMOND JAMES®

I've seen a lot...

30+

Years of Experience

\$10B+

in Transactions

ADVISOR

Investment Banker: **RAYMOND JAMES®**

Lawyer: **HUNTON & WILLIAMS**

BUYER / INVESTOR

Corp. Dev.:



Funder:



SELLER / CLIENT

Entrepreneur:



PROFICIENT

Strong Relationships with AFT Members



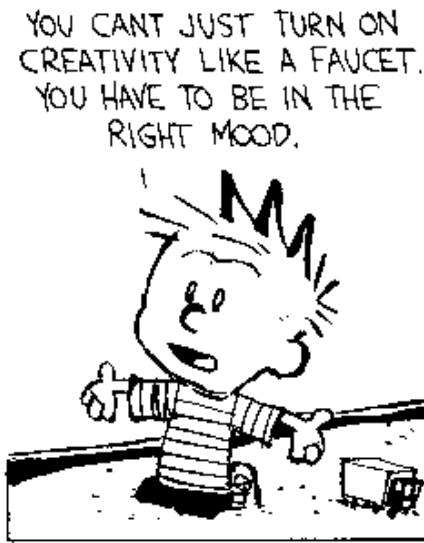
cpi card group



EFTSOURCE
A CPI Card Group Company



1 The closing table is the WRONG place to organize your capitalization table and attend to other legal “niceties.”



A

Diligence should be “click and attach.”

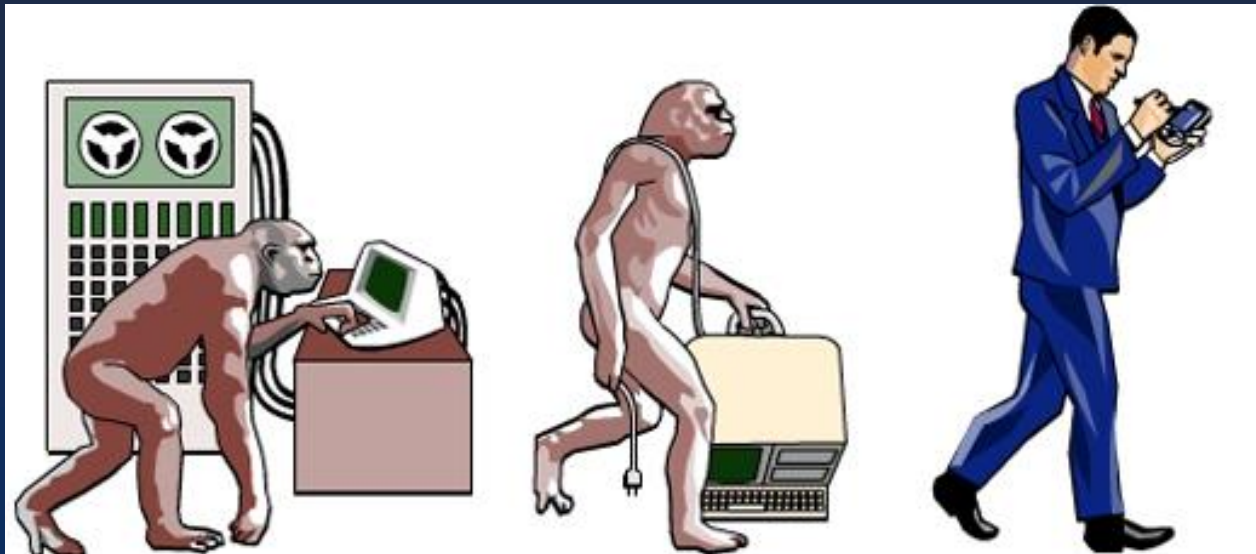


B

Engage professionals as appropriate.

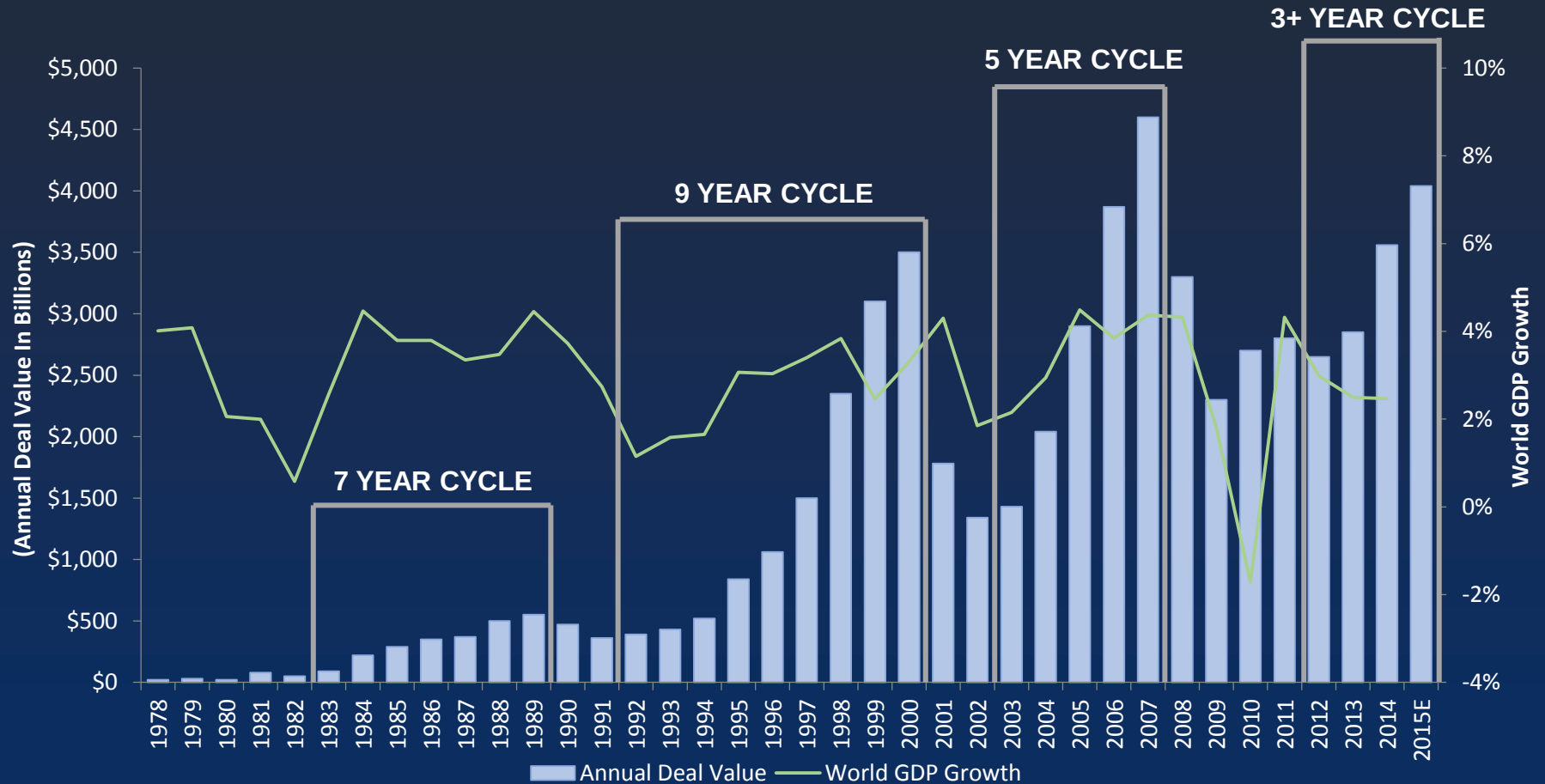


2 Technology delivery and business constantly evolve. Make sure yours is “current” when the time comes to sell.



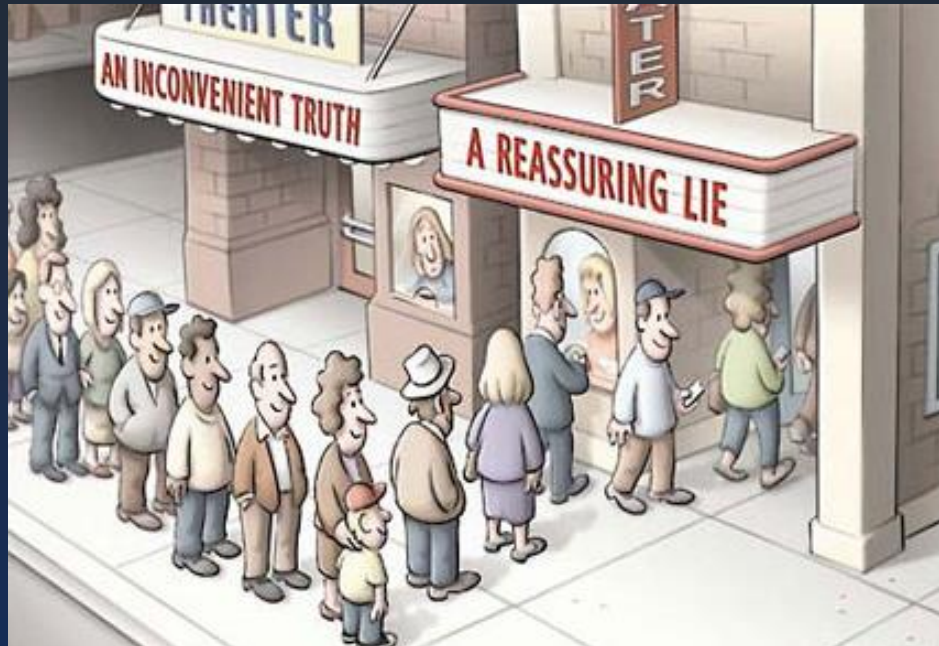
3

Timing is everything.



4

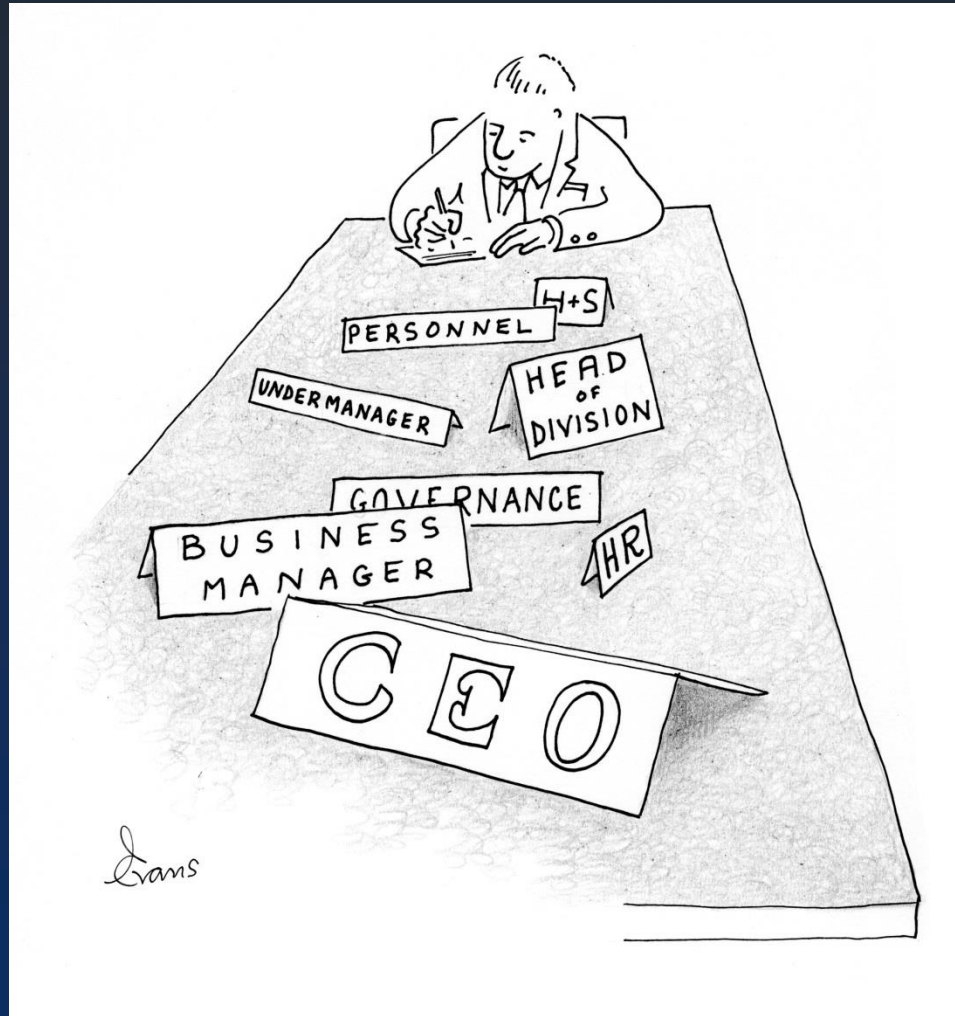
All companies have warts...



Embrace them. Address them. Position them.
It is safe to assume that when you close, the
buyer will have 98% clarity about your business.

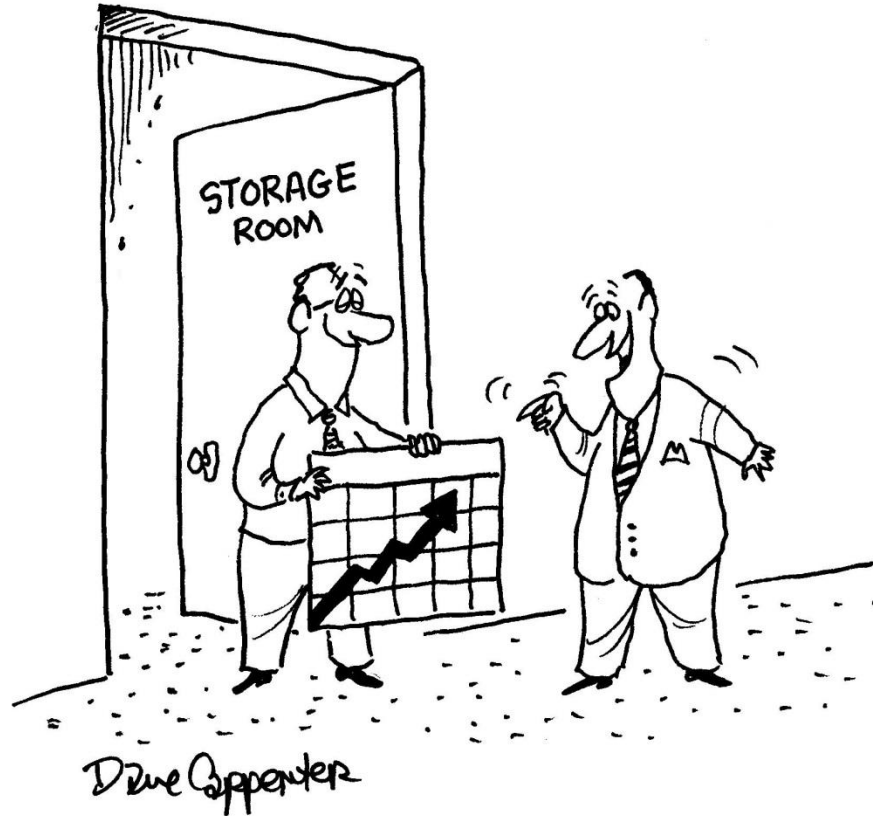
5

Build a company, build a team.



5

You need a Finance team.



"That's it! That's the chart we've been looking for."

5

You need a Marketing team.



5

You need a Sales team.



5

You need a Human Resources team.



6

Strategic buyers have consistent inorganic growth needs. It's healthy to know them before you are in a process.

Bank Technology		
	Since '11	
Company	# Deals	\$ Value
	8	\$5,892
	7	\$1,206
	5	\$3,184
	3	\$329

Financial SaaS		
	Since '11	
Company	# Deals	\$ Value
	22	\$804
	13	\$438
	7	\$345
	5	\$208

BPO Services		
	Since '11	
Company	# Deals	\$ Value
	12	\$719
	11	\$895
	7	\$822
	2	\$3,441

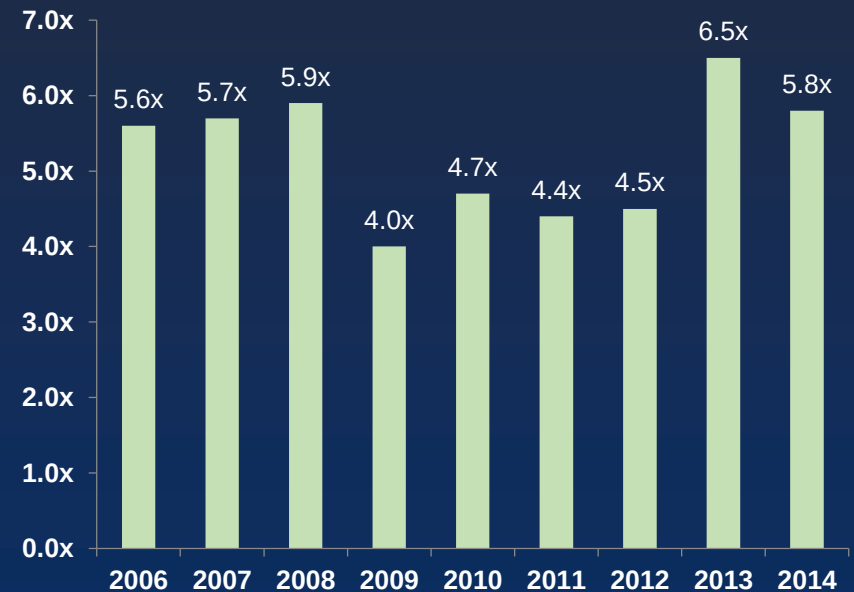
Payments		
	Since '11	
Company	# Deals	\$ Value
	9	\$336
	6	\$1,484
	8	\$1,720
	4	\$2,174

7 At the same time, private equity buyers don't "always" lose.

Private Equity Dry Powder



Median Leverage Multiples



8

Private equity investors serve a relevant purpose, don't fear them or exclude them.

Relevant PE Investment By Stage

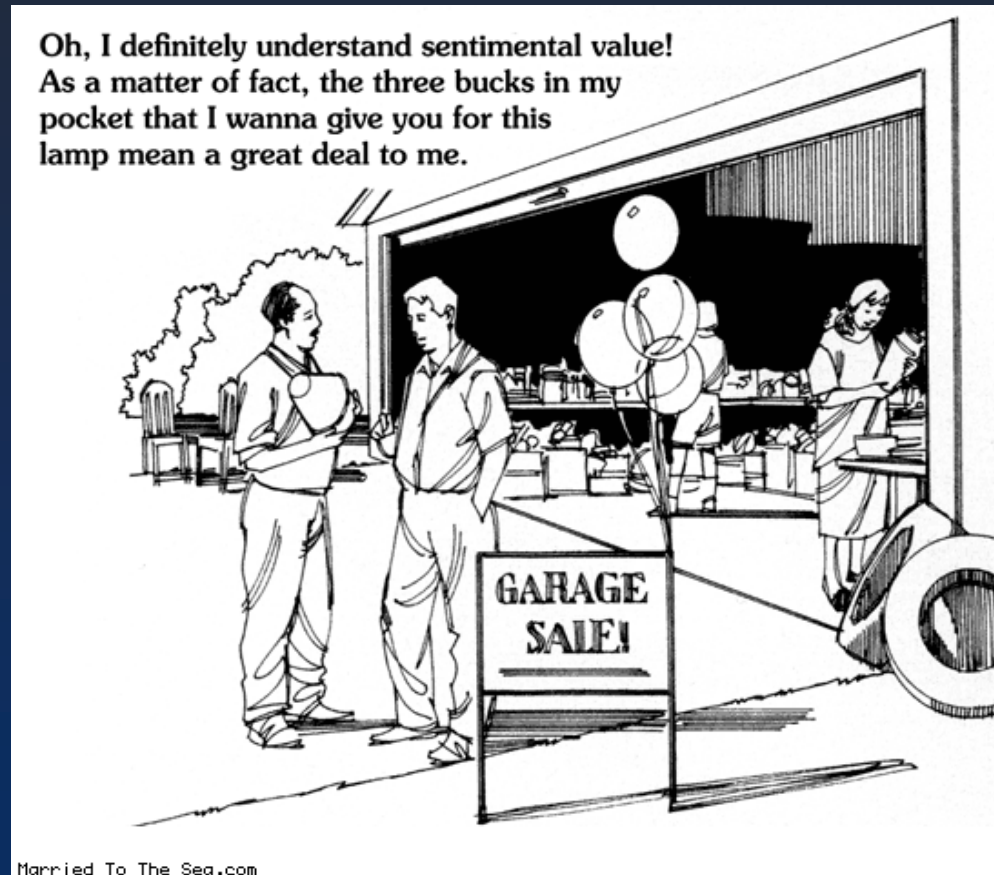
Venture	Growth	Recap / Buyout	Large Cap Buyout
 / 	  / 	 / 	 / 
 / 	 / 	 / 	 / 
 / 	 / 	 / 	 / 
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9 Keep your secrets until you are ready to tackle the markets.



10

The market sets valuation, not you.
Check emotions and ego at the door.



11

Hire an Investment Banker.



Professionals Only –

Don't Try This by Yourself at Home.