

Globalization.

What can it truly mean for you, your company and/or your portfolio companies?

A Dresner Partners White Paper



DRESNER PARTNERS
INVESTMENT BANKING

Having the right partner and the right investor mitigates risk and can enhance terms of a deal. This right partner can increasingly be found by looking globally.

Dresner Partners, with 23 years of experience as a middle-market investment bank specializing in M&A for privately held business, offers a distinct advantage when it represents sellers. Dresner's structure, partners and alliances have allowed the firm to grow into a leader in accessing global markets.

Buyers and investors are now accessible on a global basis. MergerMarket Group reports, "There was an abundance of cross-border deal making overall in 2014, demonstrated by the highest deal count record and the second-highest value. A surge from Europe toward US targets, record high deal valuations and exit levels and a deal count reaching 2007's peak led US M&A activity to reach a record high last year. US firms commanded some of the highest deal valuations globally reaching a record high of US\$616.3m in 2014."

Potential capital providers and investors are increasingly located outside of the United States. A separate MergerMarket report explains, "For Asia-Pacific buyers, smaller North American Companies are an obvious investment choice as they present fewer compliance problems. 'Asia-

Pacific companies including those from China, India and Japan that have strong balance sheets will target the North American mid-market segment for acquisitions,' says a partner at a law firm... 'European companies will be attracted to firms in the North American mid-market segment after these firms showed strong growth in the last year. Since the European domestic markets do not offer as much expansion opportunities and other regions have more investment restrictions, North America has become the obvious destination for mid-market opportunities.'

These internationally-based buyers represent an attractive market, as they have abundant available capital and consistent interest in investing in the US, where they identify unique growth opportunities due to the accelerating economy relative to other countries. Global buyers see strategic value in US targets, are eager to capitalize on favorable exchange rates and have pushed growth of middle-market Merger and Acquisition activity in the US to nearly double in deal and international capital invested in the last decade. Global investors are also drawn to the prestige of a US presence, as the credibility attached to operating in the United States offers investors legitimacy and significance on a global scale.

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Engaging global buyers and investors in negotiations can enhance acquisition prices. Global buyers have proven to be well-funded, patient and competitive bidders, and hold valuable international expertise. International investors are able to offer premium value for acquisitions due to the corresponding strengths of their home currencies, a trend likely to remain as long as macro conditions in the US remain consistent.

Dresner Partners specializes in identifying the strongest possible potential domestic and international buyers and engaging clients with the prospects. International buyers present attractive opportunities including potential streamlined integration at merger due to limited domestic operations of the acquirer and exposure to international markets the acquirer already maintains a footprint in.

Global firms already conducting business in the United States often seek to enhance their presence to gain more control of their current dealings and better guide growth of their US holdings. They will often seek to invest in or acquire suppliers or distributors within their current markets to capitalize on their direct presence in the US and expand their network of contacts.

Additionally, they may also often be attracted to the “turn-key” nature of available opportunities in the United States, allowing international buyers to comply with sellers wishes for management to remain in place post-acquisition while establishing a presence in the US for future growth opportunities.

For year-end 2013, international buyers accounted for greater than 17% of all transactions involving US middle-market companies. The leading home countries of international acquirers were Canada, the United Kingdom, Japan, France and Australia, respectively. Top target industries of international acquirers included Technology, Professional Services, Health Care, Oil and Gas/Energy and Real Estate/Property.

The importance of contracting with the right partner and advisor in M&A cannot be overstated. It becomes exponentially more important when seeking to navigate the Global Marketplace in search of international buyers or investors. Dresner is uniquely positioned and qualified as the best option to identify and engage acquirers, perform all diligence and secure premium sale value for its clients.

Dresner Partners lives globalization on a daily basis. Through its membership in IMAP, an exclusive global M&A partnership consisting of independent advisors, Dresner Partners is uniquely positioned to access markets across the world as if they were across the street.

A “firm of firms” with a strongly focused emphasis on middle-market transactions, IMAP advisors are able to connect with fellow team members across borders to provide access to and insight from a depth of international markets. IMAP members’ core values of Excellence, Integrity, Leadership, Teamwork and Trust bring confidence to clients navigating international transactions for the first or fiftieth time. Dresner knows the global partners we’re working with and has done business with them on multiple occasions.

“At its most basic definition, IMAP means Dresner is tightly connected with global partners at all times,” says Dresner Partners President and IMAP Board of Directors member Steve Dresner. “We have well-established, virtually instant access to markets, information and potential buyers or acquisitions around the world via our IMAP team. What other firms might talk about, we have on a daily, hourly and up-to-the-minute basis.”

IMAP also gives Dresner access to Global Sector Groups which share best practices, insight and knowledge from around the world to the benefit of our clients. Long term relationships are the strength and the key of IMAP and Dresner works tirelessly to establish and maintain these bonds.



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Global Capabilities:

Through our IMAP partnership, Dresner Partners maintains a well-established network of international offices in over 35 countries. Thomson Financial's most recent annual league tables report IMAP advisers as having completed 179 global transactions, with an aggregate transaction value of more than \$6 billion. Our relationships with global legal and accounting networks, and multinational private equity groups are extremely valuable when completing a cross-border transaction. We have people on the ground with first-hand knowledge of the local cultural and business environment.

Dresner maintains global skill sets in several industries, including Aerospace and Defense, Agriculture and Construction Equipment, Automotive, Energy, Healthcare, Industrial Services, Printing and Packaging, Technology, Manufacturing and Metals, Specialty Chemicals, and Transportation Equipment.



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