



PRESIDENTS FORUM AGENDA

Date: **Wednesday, July 14th, 2021**
Time: 12:00pm - 3:00pm
Location: **INVERNESS GOLF CLUB**
102 Roselle Rd.
Inverness, IL 60067

HOW COVID HAS AFFECTED COMPANY VALUATIONS, BUYERS AND SELLERS

Our speaker brings lots of pragmatism and experience on how we can better understand how to view our companies like the market would. Several of our members have worked with our speaker on matters regarding valuations, divesting a business unit/division, preparing a company for sale, and actually selling a company.

He will share his thoughts on how buyers are currently viewing companies through the lens of the pandemic. At the onset of the pandemic in the Spring of 2020, a number of immediate reactions occurred among M&A advisors, active acquirors and leveraged lenders. As more was learned about COVID, most professionals in the industry believed that activity would be very low throughout calendar year 2020.

As M&A participants began to take stock of what they were hearing from their management teams, suppliers and customers, it became clear that both buyers and sellers had a strong desire to move forward on deals in process and also to launch deals that were in preparation. Some of the key drivers were continued pressure on buyers to deploy capital and sellers prioritizing pursuing a sale given the rebound in activity they were seeing in the market. In the early Summer of 2020, activity ramped up quickly across the industry. It has continued to gain steam however it has been focused on specific types of companies, which will be discussed.

As activity picked up, a framework began to develop around acquisition targets that were attracting interest and capital, versus those that were not. Common themes that were of interest were recurring revenue, businesses with a high level of revenue visibility (e.g. customer contracts, predictable revenue), critical services, and industries that were benefitting from some of the macro themes (increased package / grocery delivery, e-commerce, investment in the home, health and wellness).

Considerations for private business owners like us that our speaker will discuss include:

- Market Update

- Current Activity
- Valuation Drivers
- Financial Buyer Overview
- Strategic Buyer Overview

- M&A Process
 - Preparation
 - Timeline and Process Overview
 - Buyer perspectives
 - Advisors (Legal, Accounting)
 - Other considerations (key employees, other stakeholders)
 - Capital gains tax and how that factors into timing

A few of our members who have worked with our speaker will likely join us to share their perspective on these matters.

Most private owners only sell their business once, so by definition it is difficult to be an expert in this area. Therefore, this is a meaningful opportunity to learn about the dynamic process of valuing and potentially selling your business.

THOUGHTS ON THE STATE OF ILLINOIS FROM THE CFO OF IHDA

Over lunch we will hear an internal financial perspective on Illinois from a long-time friend of the Presidents Forum, Ed Gin.

Ed is CFO of the Illinois Housing Development Authority (“IHDA”). He has been the CFO and COO of a private company (East Balt Co., maker of McDonald’s buns worldwide) and a CFO at JP Morgan.

IHDA is a lender, tax credit administrator, and manager of federal/state programs that provide financial assistance to Illinois residents. The Authority’s mission is to finance the creation and preservation of affordable housing in our state.

IHDA does not use taxpayer dollars to sustain its operations. The Authority’s operations are fully self-supporting to finance affordable housing across Illinois. IHDA’s S&P rating is AA- which is higher than all of the large money center banks. Since its formation, IHDA has provided \$20 Billion+ to finance more than a quarter million affordable homes.

Apart from being a master networker and connector, Ed brings his extensive and varied operational experience in business along with a candid and conversational communication style.

Points he will cover include:

- 1) IHDA’s role in Illinois

- 2) Secret to IHDA's success and social impact
- 3) Formation of Private-Public Partnerships also known as 3P

Bring your questions on the state of Illinois and Ed will likely have an informed response for you.

FUTURE MEETING DATES

August 11th
Part 1: Tour of G&W Electric on
Automation

September 8th
Part 2: Tour of Spraying Systems
on Automation

October 13th
Inverness G.C.

