

WHAT A BUYER WANTS

FORTIFY CONFERENCE

ALEEM BANDALI

MNP CORPORATE FINANCE

ALEEM BANDALI, MBA, JD

MANAGING DIRECTOR, MNP CORPORATE FINANCE (MNPCF)



Aleem delivers a broad range of services, including assisting clients with divestitures, mergers, acquisitions, raising equity and debt and capital restructuring. Aleem has worked on transactions ranging between \$3 million and \$30 billion in Canada, the United States and internationally in a diverse range of industries.

Aleem has a Master of Business Administration (MBA) degree from the University of Oregon College of Business, a Juris Doctor (JD) degree from the University of Oregon School of Law and a Bachelor of Arts degree (BA) from the University of British Columbia. Aleem has also completed the Mergers and Acquisitions program at Harvard Business School.

ABOUT MNP



Head Office: Calgary, Alberta
Team Members: 4,200

Offices: 70
Established: 1958

MNP is a leading national accounting, tax and business consulting firm in Canada. We proudly serve and respond to the needs of our clients in the public, private and not-for-profit sectors. Through partner-led engagements, we provide a collaborative, cost-effective approach to doing business and personalized strategies to help organizations succeed across the country and around the world.

SERVICE AREAS

- Assurance & Accounting
- Consulting
- Corporate Finance
- Corporate Recovery & Restructuring
- Enterprise Risk
- Succession
- Tax
- Technology Solutions
- Valuation, Forensics & Litigation Support

ABOUT MNP CORPORATE FINANCE (MNPCF)



DIVESTITURES
FINANCING
TRANSACTION ADVISORS

MNPCF has a dedicated team of 50 merger, acquisition, and transaction professionals across Canada. We work with clients in virtually all industries as they prepare, plan and execute transactions.

While our typical transactions range in value between \$5 million and \$300 million, we have experience advising on transactions as large as \$30 billion.

SERVICES

- Sell-side M&A Advisory
- Divestitures
- Strategic Planning
- Buy-side M&A Advisory
- Capital Structuring (equity and debt)
- Acquisitions
- Due Diligence

GLOBAL REACH WITH LOCAL RELATIONSHIPS

- MNPCF is part of CFxBorder (CFxB)
- Over 170 merger and acquisition professionals in more than 30 countries.

BC WINE INDUSTRY INTRODUCTION

The vast majority of participants in the BC wine industry are small to medium-sized, privately owned estate wineries.

GROWTH

17 Wineries in 1990
Over 275 today

\$2.8 BILLION

Annual contribution
to BC's economy

OVER 10,200 ACRES

Vines in BC

OVER 1 MILLION

Annual visitors

BC WINE INDUSTRY MID-MARKET M&A REVIEW

FIVE YEAR M&A GLANCE

\$1.7B

Aggregate
Deal Value

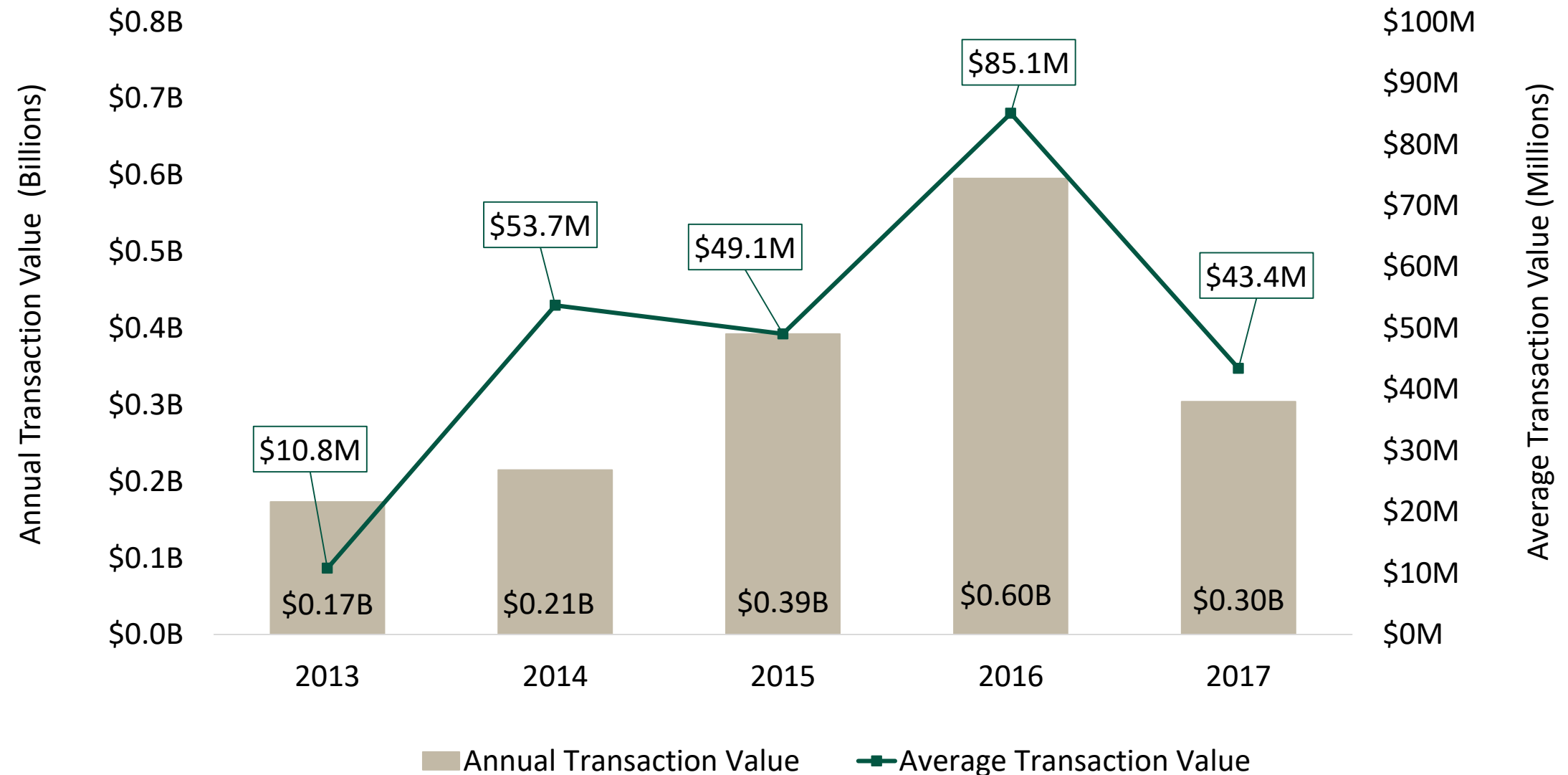
\$0.3B

Average Annual
Deal Value

42

Total
Transactions

MID-MARKET M&A ACTIVITY WINE INDUSTRY*



BC WINE INDUSTRY INDUSTRY TRENDS

These are key industry trends we expect will continue to affect the BC Wine Industry in the near future.

**SUCCESSION
& TRANSITION**

**NEW ENTRANTS
BUYING
EXISTING BRANDS**

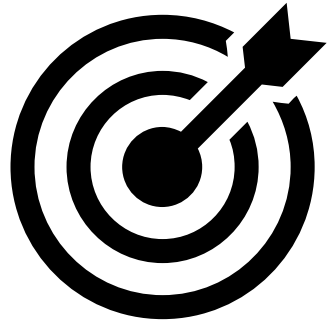
**CULINARY
TOURISM**

PREMIUMIZATION

**DIRECT TO
CONSUMER (DTC)
GROWTH**

**RISING
LAND VALUES**

BC WINE INDUSTRY KEY TAKEAWAYS



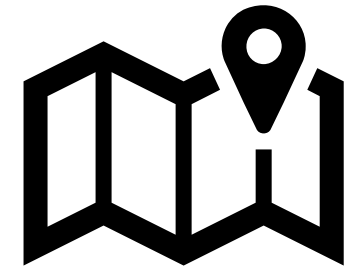
CHANGING MARKET

The market to purchase BC wineries is changing (international demand on decline, local/Ontario demand on the rise).



MARKETABILITY

Differing marketability dependent on brand following, size of land holdings, case output etc.



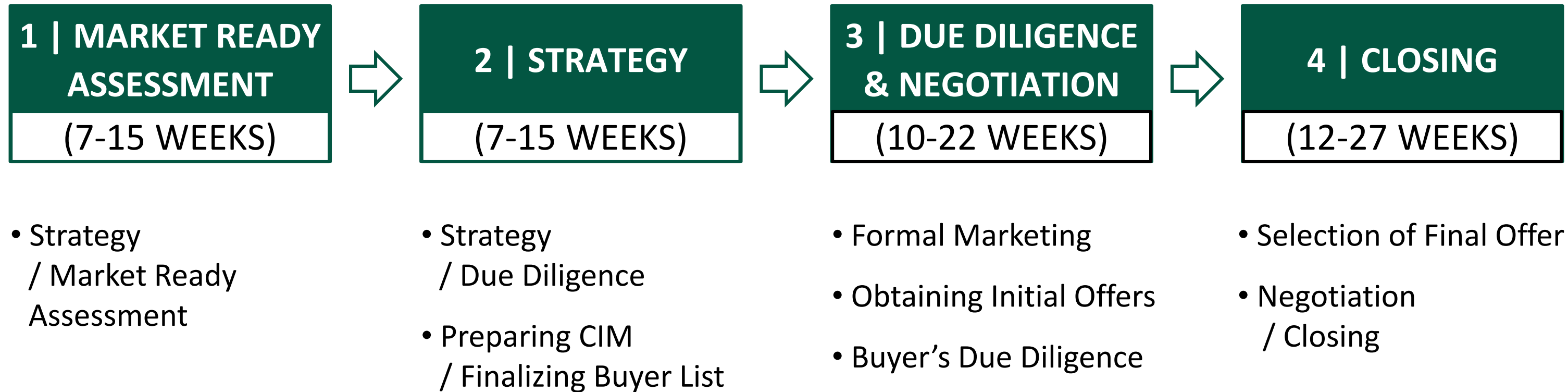
LOCATION

Location, location, location - land holdings often more important than brand.

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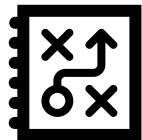
DIVESTITURE PROCESS

As M&A advisors, we take you through our divestiture process which typically takes between 24 and 52 weeks.



KEY DEAL CONSIDERATIONS

While maximizing transaction value is the predominant focus when entering into a transaction, there are a number of additional key factors which should be considered.



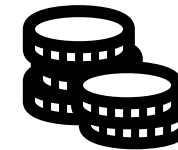
POSITIONING THE COMPANY

- Develop and articulate the Company's story
- Prepare a detailed document that outlines the Company



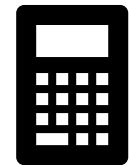
MANAGEMENT TEAM

- Presentations and discussions with potential buyers.
- Management structure post-transaction
- Shareholders agreement



WORKING CAPITAL

- Review and analysis of working capital
- 'Target' working capital levels for the transaction.



NORMALIZATION OF EARNINGS

- Normalized EBITDA
- Annual sustaining capital expenditures
- Growth expenditures contemplated.

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KEY DEAL CONSIDERATIONS

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LEGAL DOCUMENTS

- Work with your legal counsel to ensure proper documentation
- evaluating purchase agreement(s) and shareholder agreement



TRANSACTION STRUCTURE

- Presentations and discussions with potential buyers.
- Management structure post-transaction
- Shareholders agreement



FINANCIAL PERFORMANCE & FORECAST

- Prepare due diligence materials
- Review financial projections and related assumptions



MAXIMIZING FINAL PROCEEDS

- Work with tax and other advisors to ensure maximized transaction proceeds, post tax and adjustments

QUESTIONS?