
Merger, Acquisition and Disposition Services

Business & Financial Advisory Services

Management Consulting

Federal and State Regulatory Compliance

Financial Advisory Services

Capital Funding

Projections and Forecasts

Cash Flow Management

Valuation Services

Entertainment Development and Support

Advisory Services for Individuals

Charitable and Non-Profit Organizations

Securities Compliance

Going Public

Strategic Planning

Financing Options for Companies at Each Stage of Growth

Nia Stefany
Managing Partner

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Strategic Planning

- Introduction to Who We Are
- What is an Investment banker?
- Investment Bankers Value Proposition
- Investors Expectations at Each Stage
- Overview of the Stages of Growth
- Startup Financing Options
- Emerging Growth Financing Options
- Middle-Market Financing Options
- “Fortune 1000+”

Who We Are

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Strategic Planning

• Xnergy is a national investment Banking Firm

• Work with emerging growth and middle market companies

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What We Do

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Strategic Plan

Xnergy provides the following services to companies:

- **Corporate Finance**
- **Mergers and Acquisitions**
- **Public Registrations**
- **Business and Financial Advisory Services**
- **Valuations**
- **Securities provided by Xnergy Financial Corp**
- **FINRA Member**

Investment Banking - Defined

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Strategic Planning

What does an investment banking firm do?

- **Transactional Facilitator (Quarterback)**
leads the deal from introductions to sources of financing to close of escrow
- **Business and Financial Advisor**
performs a valuation on the company; advises on deal structure; prepares term sheets and offering documents; prepares investor summary; creates a beauty pageant; advises on and negotiates a transaction (most favorable to the client)
- **Agent / Broker**

Investment Banking - Role

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Strategic Planning

- **Corporate Finance: Help companies and governments to raise money**

- **Provide strategic advisory services for mergers, acquisitions, going public, and other types of financial transactions**

- **Generally identify and negotiate transactions on their clients behalf**
has relationships with funding sources /
represents the company in the transaction.

Investment Banking – Value Proposition

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Strategic Planning

Why hire an investment banking firm?

- **Experience:** Bring expertise specific to corporate finance and development
- **Focus:** Enable client management to focus on revenue (value) creation, rather than fundraising
- **Credibility:** Bring additional professionalism to a Company seeking funds
- **Network:** Leverage relationships

Investors Expectations at Each Stage

What do investors look for?

Investors look for fundamentals at all stages, including:

- Strong Management – investors invest in people – this is most important
- Initial Investment (Skin in the game)
- Competitive Advantage (Barriers to Entry)
- Well Defined Use of Proceeds
- Achievable ROI (Profitability)
- Growth Potential (Scalability)
- Strong Financial Accounting
- Valuation

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Types of Growth Financing

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Strategic Planning

• (1) DEBT

• (I) Commercial Bank Loans

- Does not give lender ownership
- Principal repaid with interest
 - (A) Short-term
 - (B) Long-term

• (II) Mezzanine Debt

- Interest typically 10-14%
- Occasionally equity kicker

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Strategic Planning

• (2) Equity

- No repayment of principal
- Company issues ownership/stock to the investor
- Valuation is important and may be a key factor

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Strategic Planning

- **(3) Asset Based Lending**

- Secured Lending
- Purchase Order Financing

- **(4) Strategic Acquisitions**

- Easy to finance
- Synergy value (1+1=3)

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Stages of Growth - Overview

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Strategic Planning

- **Company stage of growth determines type of financing available**

- **Startup** (*Highly Creative and Risky*)

- **Emerging Growth** (*Creative and Less Risky*)

- **Middle Market** (*Traditional w/ Creative Options*)

- **Fortune 1000+** (*Traditional*)

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Startup Finance Options

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Strategic Planning

Financing Options for Start-up Companies:

• Debt Finance:

- Bank - Personal Loan /SBA
- Angel convertible debt

• Equity:

- Friends and Family
- Angel Investors
- Smaller tranches because typically lower valuation – take capital in stages

Emerging Growth Finance Options

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Strategic Planning

- **Traditional Debt** (*Banks, SBA*)

- **Venture Debt** (*Factoring, Asset Based Lending, Convertible Notes*)

- **Venture Equity** (*Venture Capital, Accredited Investors*)

- **Private Equity** (*Institutional, PIPEs*)

- **Strategic Investors** (*Vendors, Customers, etc.*)

Middle Market Finance Options

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Strategic Planning

- **All financing available to emerging growth plus;**

- **Organic Public Registration**

(Small and Micro-Cap, e.g. PinkSheets, OTCBB, Amex, NASDAQ Small Cap)

- **Reverse Merger**

(Small and Micro-Cap, e.g. PinkSheets, OTCBB, Amex, NASDAQ Small Cap)

- **Mezzanine** *(Generally pre-ipo)*

Fortune 1000+ Finance Options

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Strategic Planning

• **IPO** (NASDAQ, AMEX, NYSE)

• **Debt**

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Closing

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• Q&A

• THANK YOU

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