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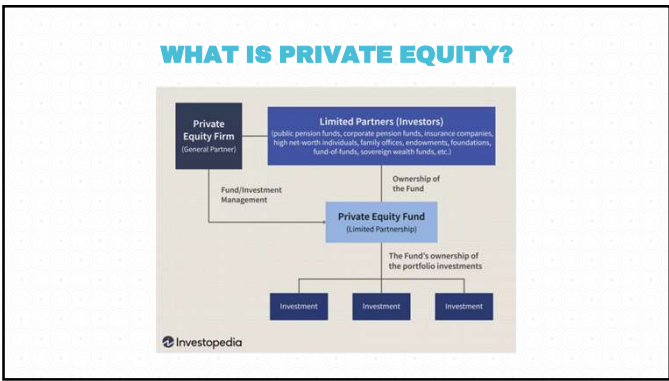
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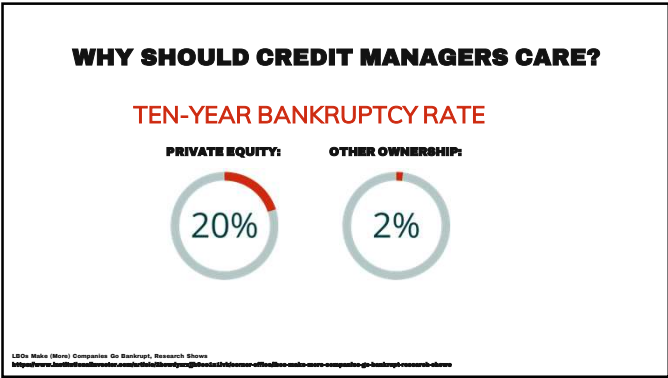
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- WHY?**

**LEVERAGED BUYOUT (LBO)**

**DIVIDEND RECAPITALIZATION**

**SALE-LEASEBACK**

**ASSET-MANAGER PRIORITY**
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- ADDITIONAL  
RISK FACTORS**

**OPAQUE FINANCIAL POSITION**

Target companies are often privately held and rarely share financial information

**CASH FLOW RESTRICTIONS**

Private-equity firms often place tight constraints on cash flow and payment terms

**OVERLEVERAGED**

Dividend recapitalization, sale-leasebacks, roll-ups

**INSULATED FROM LEGAL THREATS**

Private equity firms are not liable for the bankruptcy of their acquisitions

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HOW CAN YOU PROTECT YOUR COMPANY?



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EDUCATION AND RESEARCH



- What does the PE firm's portfolio composition?
- What was the fate of previous investments?
- What is the average age of their acquisitions before they exit?

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ASK THE RIGHT QUESTIONS



- How has the PE firm invested in the target?
- How was the acquisition structured?
- What is their credit revolver? What bank do they use?
- What is the expectation for Div Recap?

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PREPARE YOUR TEAM



- Talk to your sales managers about private equity risk before it is an issue
- Make sure your credit team knows what to do
- Involve all internal stakeholders as soon as possible

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THE END

THANK YOU!

DO YOU HAVE ANY QUESTIONS?  
Please email me! [ryansteiner@gmail.com](mailto:ryansteiner@gmail.com)

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