Navatar Webinar:

HOW TO 'MONEYBALL' YOUR PRIVATE EQUITY DEAL SOURCING

November 30th, 2017, 1pm EST (5 pm GMT)

Featuring Nadim Malik

CEO of Sutton Place Strategies

SPS

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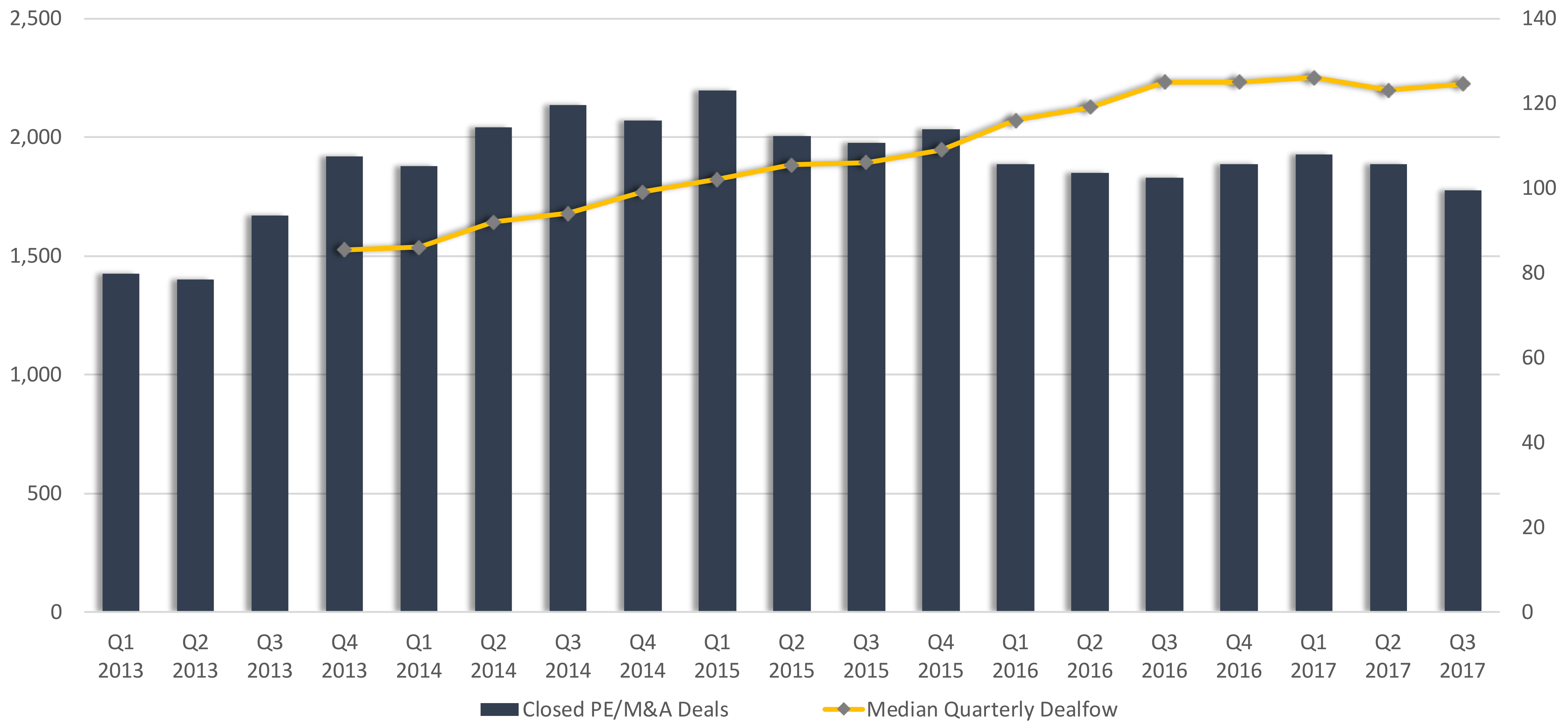
DEAL SOURCING – AN EVOLUTION

01

Proactive vs. Reactive

SPONSOR DEAL FLOW + M&A ACTIVITY



*Deals closed in North America, $10+ MM in transaction value, with a private equity or corporate investor.
**Average of last four quarters' dealflow for a PE firm (average of 90+ firms).

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DEAL SOURCING – AN EVOLUTION

01 **Proactive vs. Reactive**

02 **Rise of the BD Professional**

03 **Technology**

04 **Data and Analytics**

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DEAL SOURCING METRICS – MONEYBALL!

Sample Client LTM period 6/30/2017	Client Stats	Quasi-Generalist, Middle Market Peer Group Stats Median	Max	Min	Top Quartile	All Sponsor Stats Median	Max	Min	Top Quartile
Market Coverage									
Deals by All Intermediaries[1]	**27.8%**	25.4%	48.7%	8.0%	29.6%	16.6%	50.0%	2.8%	27.1%
Deals by Boutique Intermediaries[2]	**15.4%**	15.5%	28.1%	2.8%	21.7%	9.6%	42.1%	0.8%	16.7%
Deals by Most Active Intermediaries[3]	**32.2%**	29.3%	57.2%	10.9%	32.5%	18.5%	57.2%	1.0%	31.5%
% change - 6M Prior (All Ints.)[4]	**2.0%**	-0.8%	53.0%	-13.9%	19.3%	0.0%	95.5%	-40.6%	10.1%
% change - 12M Prior (All Ints.)[5]	**9.0%**	7.3%	66.9%	-20.3%	15.9%	1.8%	94.9%	-44.2%	17.2%
Sell-Side Process Mkt Cov									
Limited	**0.2%**	0.0%	8.0%	0.0%	0.0%	0.0%	12.3%	0.0%	1.1%
Moderate	**4.0%**	5.5%	30.8%	0.0%	8.2%	5.2%	58.5%	0.0%	11.9%
Broad	**34.0%**	35.5%	64.3%	10.3%	47.2%	33.9%	86.4%	6.1%	47.4%
Macro Metrics									
Deals/Intermediary in Target Market[6]	**2.56**	2.56	2.76	2.24	N/A	2.52	3.09	1.89	N/A
# of BD Professionals[7]	**1**	0	2	0	N/A	0	10	0	N/A
Annual Dealflow[8]	**420**	425	1,165	173	N/A	448	5,661	124	N/A
Client Target % of Total Market[9]	**41.7%**	47.6%	67.5%	34.8%	N/A	50.6%	100.0%	9.5%	N/A

*Percentage of a completed PE transactions with a sell-side advisor in relevant size ranges and sectors reviewed by a PE firm.

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DEAL SOURCING – TIPS & TOOLS FOR SUCCESS

1. **Focusing on intermediaries that run more limited process (SPS Sell-Side Process Index)**

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INTERMEDIARY OPPORTUNITIES – A BREAKDOWN

Firm	City	State	# of Deals	% of Total	Cumulative % of Total
Houlihan Lokey	Los Angeles	CA	109	3.0%	3.0%
Goldman Sachs	New York	NY	90	2.5%	5.5%
Raymond James	St. Petersburg	FL	78	2.2%	7.7%
J.P. Morgan Chase	New York	NY	77	2.1%	9.8%
William Blair & Co.	Chicago	IL	62	1.7%	11.6%
Jefferies & Co.	New York	NY	61	1.7%	13.3%
Morgan Stanley	New York	NY	59	1.6%	14.9%
Robert W. Baird	Milwaukee	WI	57	1.6%	16.5%
Evercore Partners	New York	NY	54	1.5%	18.0%
Piper Jaffray & Co.	Minneapolis	MN	52	1.4%	19.4%
Lincoln International	Chicago	IL	50	1.4%	20.8%
Moelis & Company	New York	NY	48	1.3%	22.2%
Bank of America Merrill Lynch	New York	NY	45	1.3%	23.4%
Harris Williams	Richmond	VA	44	1.2%	24.6%
Credit Suisse	New York	NY	41	1.1%	25.8%
Generational Equity	Dallas	TX	41	1.1%	26.9%
RBC Capital Markets	Toronto	CAN	36	1.0%	27.9%
Sandler O'Neill & Partners	New York	NY	36	1.0%	28.9%
Lazard	New York	NY	35	1.0%	29.9%
BMO Capital Markets	New York	NY	32	0.9%	30.8%
Wells Fargo Securities	San Francisco	CA	31	0.9%	31.6%

# of Firms		# of Deals	% of Total	Cumulative % of Total
9	Completed 20-29 Deals	214	5.9%	37.6%
17	Completed 15-19 Deals	291	8.1%	45.7%
34	Completed 10-14 Deals	391	10.9%	56.5%
85	Completed 5-9 Deals	550	15.3%	71.8%
47	Completed 4 Deals	188	5.2%	77.0%
77	Completed 3 Deals	231	6.4%	83.5%
130	Completed 2 Deals	260	7.2%	90.7%
335	Completed 1 Deal	335	9.3%	100.0%
	Totals**	**3,598**	**100.0%**	

Out of 755 Active Intermediaries, 72% (542) Completed **Three Deals or Less**

*Includes PE and M&A transactions completed in LTM Sept 2017, $10+ MM in transaction value, with a confirmed intermediary.
**Total exceeds actual number of deals closed due to multiple intermediaries on some transactions.

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DEAL SOURCING – TIPS & TOOLS FOR SUCCESS

1. Focusing on intermediaries that run more limited process (SPS Sell-Side Process Index)

2. Reaching out to new deal sources in a time manner

3. Bringing your deal pipeline to life for broken deals

4. Understanding the closing rate of your intermediaries

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DEMO

QUESTIONS – GET IN TOUCH!

Nadim Malik

SPS

Email: NMalik@suttonplacestrategies.com
Phone: 646-418-2995

Nicholas Donato

NAVATAR®

Email: ndonato@navatargroup.com
Phone: 212-863-9655 X 3662