

Blue Pasture Advisors

www.bluepastureadvisors.com

Presentation to Interested Parties





Blue Pasture Advisors

We increase enterprise value for middle-market companies and their capital partners.

Our consultative approach and experience buying, selling and operating businesses is our edge to seeing things that others do not.

Who We Are

I We have deep experience, having sat on all sides of the “deal table”

Rob Novick | Managing Partner



- Founded, scaled and sold a national strategic consulting practice to private equity
- Recognized twice by Inc. Magazine as one of America's fastest growing companies
- Provided insights to numerous Fortune 1000 companies
- Former Advisory CEO, European Roasterie (middle-market, family-owned coffee roaster)
- MBA, Yale School of Management | BS, University of Denver

Russ Matthews | Managing Partner



- Founding Partner at SCB Global, making investments in closely held businesses
- Has sourced, performed diligence and negotiated with numerous acquisition targets
- Operator in the consumer goods and healthcare services spaces
- CFO and COO roles
- BSBA, Georgetown University

Who We Partner With

Blue Pasture is a boutique consulting firm focused on middle-market transactions

Who We Work With

Their "Pain Points"

Where We Add Value



Owners who want to sell but aren't ready - and see the danger in constantly being told they're "not ready"

- Create a more attractive organization by working with leadership
- Heavy focus on reaching a specific EBITDA target (\$ or %)



In due diligence, need a broader view to complement their financial analysis

- We account for leadership, culture, innovation and more and we've developed a tool to score these areas and signal risk and opportunity
- More than the questions themselves, it's the experience we bring that gives the true insight

Post acquisition, need help managing integration and/or achieving near-term targets

- We have a network of professionals big enough to handle anything we can't
- Our backgrounds allow us to do this on par with larger players

How We Do It | Our Services

We offer value-added services beyond just typical "consulting work"



STRATEGIC CONSULTING

- ✓ Revenue Enhancement
- ✓ Expense Rationalization
- ✓ Market Positioning
- ✓ Right-Sizing the Organization
- ✓ Pricing Analysis
- ✓ Operational Efficiencies
- ✓ Benchmarking vs the Industry



Post-acquisition integration



Bench of operators/advisors



Talent acquisition



Access to experts for private equity



Navigating potential local or national grant opportunities



Bespoke private deal sourcing for family offices and wealth managers



Attracting and/or providing capital

We Complete Today's View of the Business and Clarify Tomorrow's Challenges

Complementing financial analysis with business analysis

Examples Include:



Ensuring a company remains focused leading into and during a sale process

(owner/principals can spend a lot of their time in the process)



Maximizing sale price and achieving targets requires that leadership, IP, strategy, systems, pricing, and more be evaluated for risk and opportunity

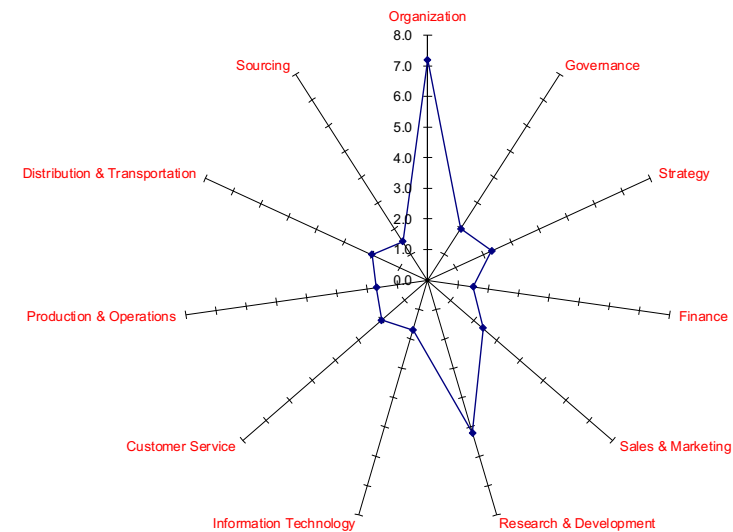


Developing a playbook for operations and strategy that can enhance value for the company looking to sell, or for a potential buyer

Proprietary SCORE Playbook

Examples of Our Playbook Data Pack:

Ref #	Role	Readiness SCORE Categories and Questions	Y/N/U	Y=1, N/U=0	Weighting	Reality Check Question
1.0		<u>Organization</u>				<i>The goal is to identify or obviate organizational challenges before transaction so their impact can be quantified and incorporated into any post-acquisition planning effort.</i>
1.1		<u>Leadership</u>				<i>The leadership team must align with the organizations' strategies - both buyers and sellers</i>
1.1.1		The number of vacant leadership positions			1	Are there missing positions based on the direction of the organization?
1.1.2		Does the number of leaders willing to stay post-transaction align with the number of leaders the buyer has in mind?		0	1	This information can only be gained through interviews with leadership. Is comp what they expect? Are they receiving equity in the NewCo.? Etc.
1.1.3		Are there critical roles nearing retirement age?		0	2	Check the company census and examine with HR the fortitude of employees close to retirement age. Will they last if things get tough?
1.1.4		Is leadership viewed negatively?		0	4	Look at, and question, comments on GlassDoor
6.0		<u>Research & Development</u>				
6.3		<u>Legal and IP</u>				<i>The typical that can de when unco</i>
6.3.1		Does the company's IP portfolio contain patents?		0	3	Is the comp invalidating
6.3.2		Has anyone checked that the company's trademark(s) are unique and dissimilar enough from any other trademark such that they can continue to use the trademark(s)?		0	3	Has the co trademarks require dis
7.0		<u>Information Technology</u>				<i>This refers or software Evaluate th of various</i>
7.2		<u>Applications</u>				
7.2.4		Are any applications hosted on-premise?		0		Why? But with regard
7.2.5		How many integrated systems does the organization need to manage?			1	Do they need transfer?



What Don't We Do?

I We “stay in our lane” during an engagement and complement other advisors

We Don't ...

- ❌ Run a process
- ❌ Implement enterprise systems
- ❌ Do tax, audit or legal work
- ❌ Perform business valuations or do quality of earnings
- ❌ Do financial due diligence

But ...

We also don't just “monitor” your progress – we are highly engaged partners

Case Study: Midwest Coffee Roaster

? The Challenge

- Absentee owner wishing to prepare his white-label coffee roasting company for potential sale
- Revenues were declining and business was unprofitable plus overlay of COVID
- Company was being viewed as a distressed asset, not providing ownership with the desired value

💡 The Solution

Engagement began March 2021 with a Blue Pasture principal retained for 15-30 hours per month

Reorganized Sales Effort

Separated from non-productive contract salespeople and renegotiated outside broker commission.

Invested in Brands

Contract roasting was the major source of revenue, but company did own several of its own brand labels. Invested in those brands and initiated production of CBD coffee to increase the sale price multiple.

Increased Prices and Margins

Analyzed customer pricing and margins. Used that data to raise prices in an understandable and palatable way for customers.

Invested in Production and Technology

Reaching profitability, made critical investments in production assets and supporting technology (NetSuite) for FY '23. This will mitigate human capital challenges, reduce lead times, and increase gross profit margin.

📊 The Results

Record Revenue

FY '22 (June) revenue reached \$15 million - the highest in over five years

Strong Operating Profit

After three years of losses the company generated EBITDA of \$540k

Zero Customer Attrition

Six months after the series of price increases, no customer losses



Let's Talk About How to Get Started

We're looking forward to demonstrating our experience and capabilities



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