DPO&Co

Unlocking Margins Through Operational Improvement

Firm overview and select case studies showcasing prior experience

A global strategy and operations consulting partner combining diligence rigor and hands-on execution to deliver actionable insights and measurable EBITDA impact

- DPO&Co is a global **integrated diligence provider,** with strategy consulting and transaction advisory team members spanning from Chicago, Grand Rapids, Madrid, Puerto Rico, Colombia, Indonesia, and India, bringing MBB/Big 4 experience to our middle market PE clients
- 180+ person firm is the "sweet spot" to offer appropriate scale, value price point, and customized outputs
- We have completed **330+ projects** across **115+ sponsors** since 2017– work is predominantly via referrals or recurring clients
- We add unique capacity and capabilities to pre-close diligence (QoE, Market Study, Voice of Customer, Value Creation Planning, Ops Due Diligence) and an array of post-close EBITDA capture initiatives, so value creation continues to be the North Star of your investments
- Our analytical background, C-suite collaboration experience, ownership of four platform investments as an independent sponsor, and 20+ LP co-investments **set us apart as strategic doers who think like business owners, because we *are* business owners**

Senior Team

Daniel O'Reilly
19 years experience in strategy consulting & financial services

Brian Stumpf
21 years experience in strategy, healthcare, and banking

Purnomo Putra
19 years experience in strategy consulting & operations

Avik Basu
19 years experience in strategy consulting & M&A advisory

Clint Simkins
17 years experience in strategy consulting and aviation industry

Carlos Gomez
22 years experience in pricing strategy & M&A advisory

Core Values

Humble, Respectful, Fair
Strict "No-Jerk" policy for team and clients

Collaborative & Flexible
Go beyond obvious; align incentives to drive results

Analytical
Fact-based, profit-focused advice & decisions

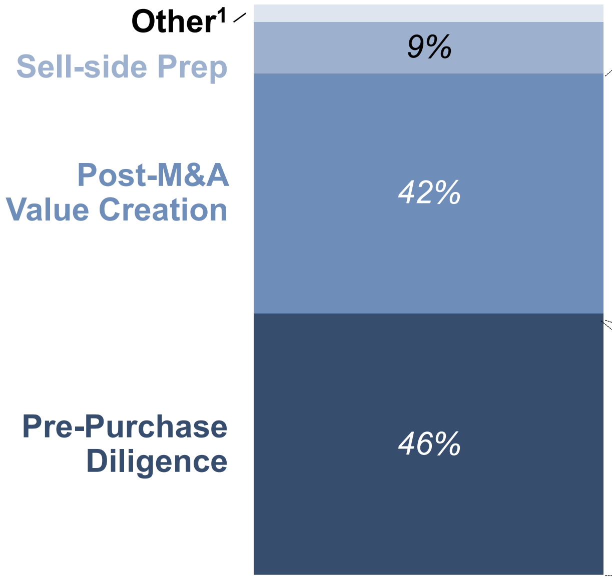
Honesty & Integrity
Beyond reproach, tell it like it is

DPO&Co's 4 Pillars

- **Strategy & Operations Consulting**
- **Transaction Advisory Services**
- **Business Process Outsourcing**
- **Principal Investing**

DPO&Co has completed 330+ strategy and operations consulting projects for 115+ PE firms, independent sponsors, and family offices across a myriad of industries and sizes

Pre-Close and Post-Close Engagement Mix



- Post-Merger Integration
- Procurement / Strategic Sourcing / Supply Chain Improvement
- Org Transformation
- Process Mapping / Value Engineering
- Ops Improvement
- Growth Strategy & Value at Stake
- Margin Leakage Diagnostic
- Activity Based Costing

- Market Study
- Voice of Customer
- Consumer Survey
- Value Creation Plan

Notable Client Base

Gemspring Capital, Blackstone, Rising Point Capital, H.I.G. Capital, AGR Partners, Clarion Capital Partners, ArchStar Capital, Plexus Capital, Clayton Dubilier & Rice, Platte River Equity, Princeton Equity Group, HGGC, Trivest, Nautic, Wind Point Partners, Insight Equity, Copley Equity Partners, Trident, Awani Capital, Pike Street Capital, ITW, Advent International Global Private Equity, RLJ Equity Partners, HCI Equity Partners, Partners Group, Bain Capital, Danaher, Insignia Capital Group, Monroe Capital, Blackford Capital

1.Other (3%) includes proprietary buy-side search, investment thesis formulation, and strategic negotiation

What Our Clients Say

"The key distinguishing quality about DPO is that they actually take a position on the quality of a business. They are more like a partner than a service provider."

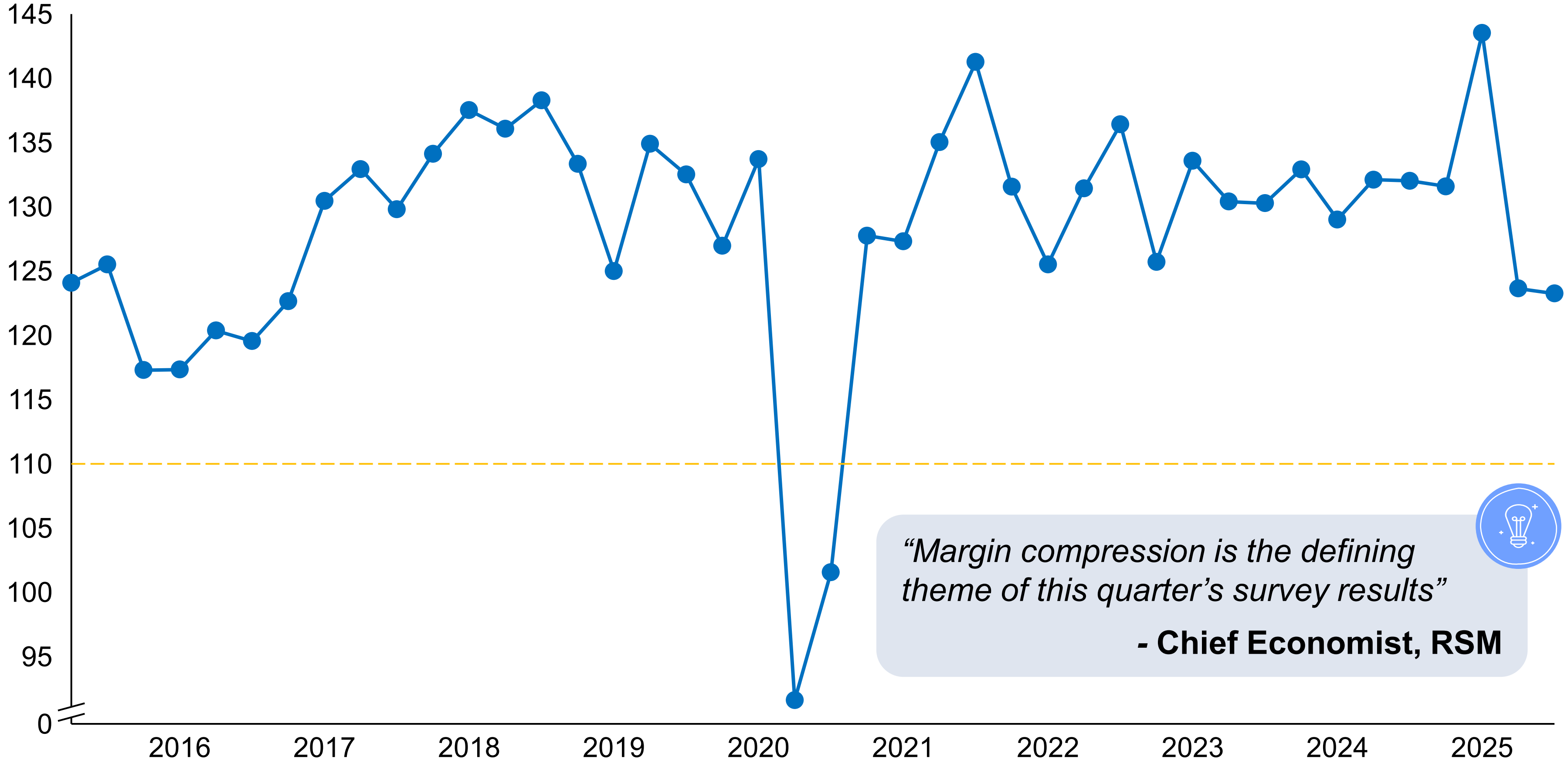
"DPO's report was far superior to what we've seen elsewhere, then add in the price point and we're talking serious value add to our process."

"…DPO&Co's diagnostic drove deep insights into the business, uncovering opportunities that we had not prioritized, which led to actionable plans to drive EBITDA growth immediately."

Context: Why Take Action Now?

Margin pressures resulting from antiquated operational procedures and outdated pricing models are challenging middle-market firms

2015-2025 Quarterly Middle Market Business Index [Neutral = 110]



"Margin compression is the defining theme of this quarter's survey results"

- Chief Economist, RSM

DPO&Co is uniquely suited to extend pre-close diligence into post-close value creation via pragmatic engagement with operators.

6-Week Project: For a recently acquired PE portfolio company, unlocked a potential ~$20M in value through operational improvements and ABC Modeling

Situation

- Client was a $300M PE platform company that had recently acquired a $100M bolt-on manufacturer of food ingredients and aseptic beverage packaging
- The client struggled with understanding product profitability drivers and operational issues for the two ‘integrated’ manufacturing plants (~60% capacity filled with ~80% product delivery service levels)
- Hired DPO to assess and improve operations

Approach

- Interviewed 32 stakeholders across divisions to evaluate business processes, pain points, quick-win opportunities, and time allocation to certain customer / products
- Conducted plant tour & independent time studies for different products / lines
- Developed thorough (and refreshable) Activity Based Costing model incorporating:
- Detailed 66 opportunities totaling ~$20M savings opportunity; categorized based on ease of implementation, and built business case and rollout plan for each

Impact & Outcome

- Provided visibility to C-suite on products with large **profitability drivers** based on customer or product type
- Outlined methodology for identifying **accretive pipeline customers** to form the basis of a profitable growth strategy
- Developed **pricing and negotiation strategy** for one of the largest customers; resulting in **$4.4M EBIT** improvement

Initiatives	*Initiatives Details & Progress*	*Impact & Status*
Drum SKU Rationalization	• Send notice to customers on XX% price increase for drum SKU starting Jan 1st	• **$XXXk** • Pending customer letter
In-source shuttle Trucks / Drivers	• Currently use Truck X & Truck Y **~$X.XM** • Leasing trucks & trailers from TEC & McKinney, and managing drivers via 3rd party with potential to grow in-house	• **$XXXk** • Effective est. 10/29
Mass Flow Meter (MFM) Purchase	• MFM **reduce product waste**, and improve inventory **yield** • Achieved XX**% price reduction from initial $XXXK[2] to $XXXK**,	• **$XXXk** • Est. shipment Nov 1st
ADC1 Additional Racking	• Build additional 16 racks to reduce storage spend; **Opportunity cost >$XK/day; ~$XXXK annual storage[3]; operational in Nov**	• **$XXXk** • Complete
Pallet Storage	• Charge **Cust Z $XX / pallet for finished goods storage vs. $.XX** / case; Potential opportunity for Client Z post contract negotiation	• **$XXXk** • Effective 12/01
Automation Contractor	• **Utilize 3rd party contractor for CIP room 1 and SCADA screen upgrade- could save X hours / week downtime**	• **$XXXk** • Pending maint. review
Auto Pail Filling Machine	• **New machine reduces OT and injury risk, can be operated with X employees;** Obtained X% price reduction to **$XXXK**	• **$XXXk** • Shipped in est. 01/11

13-Week Project: Drove over 20% material cost savings for PE portfolio company via detailed spend cube creation and execution of fact-based RFP process across myriad suppliers

Situation

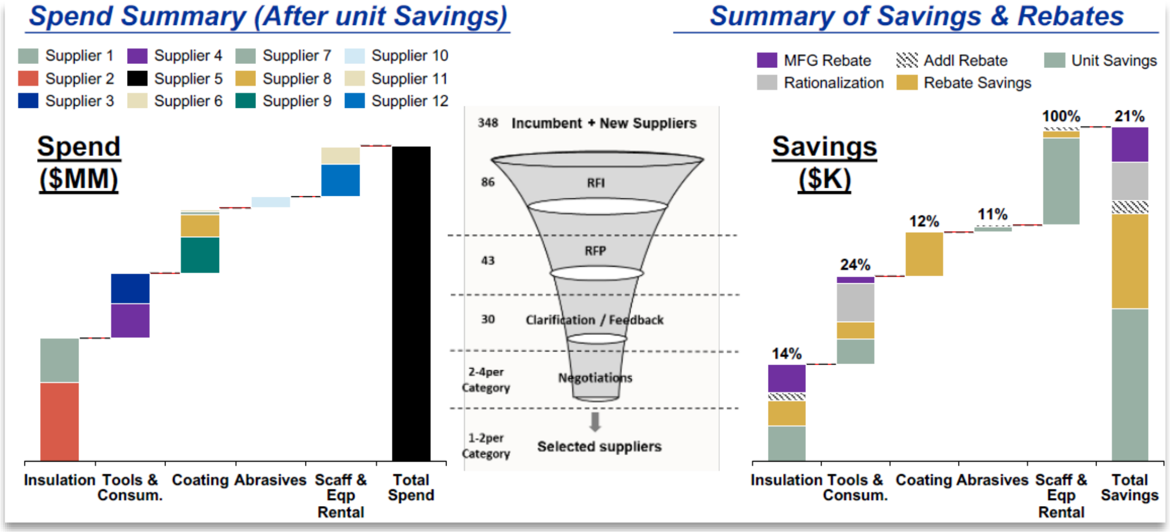
- PE fund owned one of its largest portfolio companies for five years and had high revenue growth, but decreasing EBITDA margin
- Portfolio company hired DPO to add rigor to the decentralized procurement process
- Client was resistant to pay significant consulting fees without a promise of good EBITDA results, so we structured a deal that was ultimately 80% performance based, sharing in the gains we created

Approach

- Conducted market research, including:
  - Market size & segmentation & competition
  - Commodity trends & implications
  - 54 robust potential supplier profiles across four sourcing categories
- Ran RFI to understand vendor capabilities, and conducted two rounds of RFP followed by direct negotiations with category finalists
- Drove implementation throughout the organization, creating processes that ensured the company captured the value created
- Identified 8 add'l ops improvement initiatives

Impact & Outcome

- Portfolio company achieved **21% procurement savings** without centralizing procurement, preserving EBITDA ahead of potential sale
- Based on projected 8-10x exit multiple, **drove ~$40M in enterprise value** excluding "soft dollar" savings from significantly reduced complexity
- Reduced number of suppliers from 200+ to 10, making account significantly more important to all suppliers
- Reviewed opportunities to leverage the robust process at other portfolio companies within the same PE firm and the option to conduct consortium sourcing for like categories throughout the portfolio



8-Week Project: Built a CPQ-based pricing model to ensure sales profitability, and provided a detailed procedure to help Client in rolling out and executing the tool

Situation

- Client was a $25M market research company that had hired DPO previously for two **operational improvement projects (Phase I & II)**
- Client experienced vastly different margins across similar clients for similar work orders / services
- **Pricing processes and blindly using legacy prices for legacy accounts driving down margins**, but Account Managers owned relationships and were set in their ways, claiming change would be too difficult for large accounts
- DPO&Co was asked to lead an effort in building a **CPQ-based pricing model** with detailed plans from previous engagements

Approach

- DPO performed robust analysis, examining years of prior work orders and projects, while also interviewing each Account Manager to map where processes differed across accounts
- Evaluated labor tasks across projects and ran a multiple variable regression to identify task cost drivers
- Analyzed 2 study methodologies (HUT and CLT), which represent 90%+ of projects and assessed revenue trends by project size on offsite and onsite projects
- Identified cost categories not previously captured in pricing
  – Facility and marketing costs
- Built an automated Excel model to incorporate all findings and apply value added margin

Impact & Outcome

- Activity Based Costing proved tantamount in re-establishing pricing procedures and building a new pricing tool using live work order data
- Delivered an ABC-driven model linking cost drivers to true cost-to-serve, enabling consistent, fact-based pricing
- Improved margin visibility and eliminated reliance on legacy pricing, avoiding EBITDA squeeze

AM	Customers	J#[1]	Revenue ($k)	GM (%)	Labor Cost (%)		GP (%)	Incidence (%) Sold[2]	Incidence (%) Actual
AM5	PEPSICO	J96708	249	47	16	B	31	35	14
		J96736	57	58	22	D	36	35	22
		J96770	52	66	24	C	42	13	10
		J96738	49	55	20	D	35	75	12
		J96723	44	71	28	C	43	13	8
		J96576	37	70	25	C	45	75	[illegible]
		J96849	34	100	6	A	94	75	[illegible]
		J96707	22	63	23	C	40	75	11
		J96739	19	64	33	C	31	75	13
	Panera Bread	J96890	149	50	5	B	45	35	-
	MARS WRIGLEY	J96664	47	56	29	D	27	35	14
		J96649	32	58	25	D	33	35	11
	Hostess Brands, Inc	J96883	40	43	12	B	31	75	-
	Maple Hill Creamery, LLC	J96702	18	75	34	C	42	75	20
AM6	Coca-Cola	J96633	103	39	24	D	16	13	23
		J96613	103	21	30	D	-10	35	30
		J96629	103	45	24	D	20	35	23
	mission	J96817	103	55	10	B	45	13	9
		J96759	82	77	17	A	60	35	21
		J96836	41	69	19	A	50	35	10
	Keurig Dr Pepper	J96733	72	70	17	A	53	35	27
	Peet's Coffee	J96713	21	77	57	C	20	35	-
		J96882	17	78	28	C	51	35	9
		J96828	15	80	42	C	38	35	6
	Smithfield Foods	J96837	27	73	34	C	39	35	11
	Nature's Bakery	J96907	19	77	53	C	24	35	10

On GM: "Tier 1 client, I have to use to an extent what we have given them in the past."

"I inherited account – was told to use historical GM to keep relationship"

Pending AM Feedback

6-Week Project: Assessed operations, pricing process, and analyzed profitability to recommend steps and procedures for margin improvement

Situation

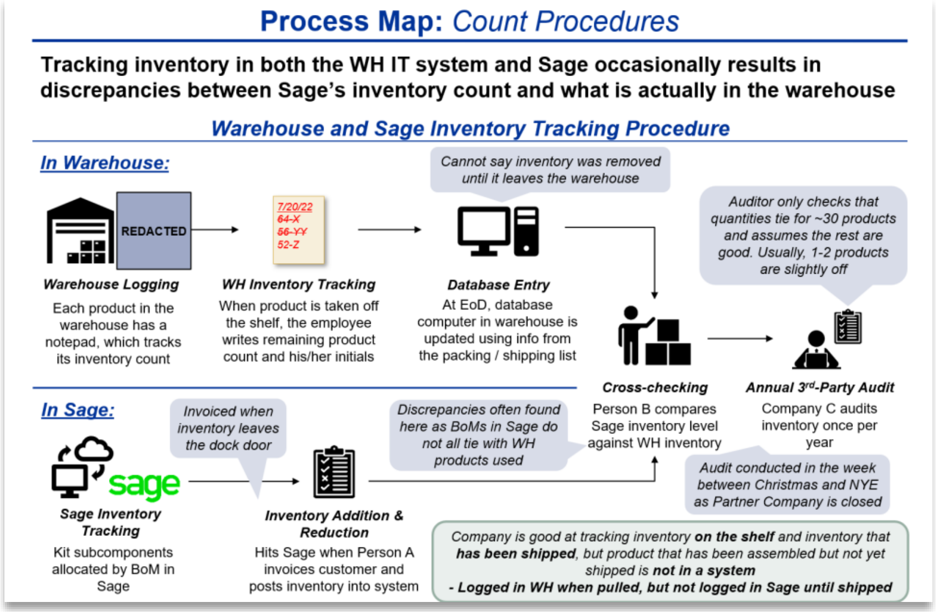
- Client is an engineered seismic restraint system provider, that also offers vibration/noise control solutions
- Client experienced a declining trend in EBITDA for the last 5 years, despite ongoing growth strategies in place
  – Adding new business units in their product lineup
  – Creating SOP and markup procedures to ensure profitability
- Client engaged DPO&Co to:
  – Assess their operational and go-to-market pricing process
    - Provide recommendations to improve any efficiencies
  – Analyze their profitability across multiple dimensions:
    - Customer and Customer Type
    - SKU and Product Line
    - Sales
    - Time
  – Provide quick hits in to improve operation and margin

Approach

- Operational process improvement
  – Assessed current condition by interviewing key personnel
  – Mapped current process and identified inefficiencies in process
  – Defined a future state
- Go-to-market pricing process
  – Mapped current pricing process establishment
  – Identified margin erosion on pricing
  – Developed future state and created SOPs/tools to drive future state
- Profitability
  – Analyzed completed 2022 YTD sales in comparison to historical data
  – Identified causes of margin declines in the operational aspect
- Quick Hits
  – Surveyed current conditions
  – Conducted thorough discussion with management members
  – Identified initiatives to improve operation and margin

Impact & Outcome

- Improved operational and go-to-market pricing processes; identified ERP inventory bottlenecks and recommended enhancements
- Identified margin-eroding cost drivers and unprofitable product lines
- Built cost estimator tool to enforce pricing consistency within target margins
- Delivered 6 quick-hit process improvements
- Subsequently engaged to lead sell-side market study supporting successful exit



We have delivered strong, measurable results for our clients, with many repeat engagements reflecting continued trust – additional references and contact details available upon request

Client	Contact	Title	Engagement(s)
Rising Point Capital	Justin Marku	Managing Director	Completed 5 portfolio company projects and DDs (sponsor-referred)
Monroe Capital	Chris Larson	Managing Director	Executed 5 turnaround and pricing strategy engagements
Wilson Family Office	Tom Wilson	CEO, Allstate	Delivered 3-part training course and ran DD on 2 target companies
Gemspring Capital	Charlie Fraas	Operating Partner	Managed multiple Procurement & turnaround engagements
Awani Capital	Nigel Howard	Partner	Conducted multiple commercial DD studies
Insignia Capital Group	Nick DeTrempe	Director	Performed Warehouse Operational Due Diligence
Erie Street Growth Partners	Jerry Graunke	President	Delivered VoC DD engagement
HCI Equity Partners	Bob Hund	Operating Partner	Ran multiple Ops-focused DD and improvement studies
HGGC	Bill Conrad	Partner	Completed market assessment and target company commercial DD
Trident	Chris Ayala	Managing Partner	Conducted market study on a new platform
Pike Street Capital	Dan Turk	Vice President	Conducted multiple commercial DD and VoC as well as go-to-market diligence
Trivest	Yan Levinski	Principal	Delivered commercial DD and VoC studies on 2 target companies
KeHE	Brian McCarthy	SVP, Operations	Optimized regional network for $1.1B West Region

Let's discuss where operational efficiency could unlock value in your portfolio.

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