

Highlights From Our Recent Event

“Unique Insights into Alternative Fundraising and M&A Exits”



By Jeff Houston, CFA

Navidar recently sponsored an event with the Austin chapter of TiE (austin.tie.org) that focused on providing unique insights into alternative fundraising and M&A exits. The standing-room-only event featured two panel discussions as well as a keynote presentation by Katie May, CEO of ShippingEasy, which was recently acquired by Stamps.com (NASDAQ:STMP) for \$65M in 2016. In this note, we provide a high-level summary of this insightful event.

Alternative Fundraising Panel

Our all-star panelist lineup was comprised of the following individuals.



Jeff Estes, Manager, MicroVentures. The firm has invested \$100M in 100 companies since 2011 with various funding solutions, including crowdfunding. MicroVentures focuses on early stage seed through Series A investments. About 60% of its historical investments have been in business-to-business companies and the remaining 40% in business-to-consumer. www.microventures.com



Mike Smerklo, Co-Founder & Managing Director, Next Coast Ventures. Mr. Smerklo's firm provides Series A and B growth equity to technology companies. Founded in 2015, its \$90M fund has already made 10 investments. www.nextcoastventures.com



Vik Thaper, Principal, Cypress Growth. This alternative form of funding lends debt based on recurring revenue. Cypress looks for companies with a recurring-revenue run rate of \$3-20M with an investor base that does not include venture capitalists. The firm was founded in 2010 and has more than \$100M of capital under management. www.cypressgrowth.com



Robert Sureck, Senior Market Manager, Silicon Valley Bank. The bank provides venture debt, lending up to 3-5x monthly recurring revenue and always invests alongside venture capitalists. SVB has 27 domestic and seven global offices. www.svb.com



Ashish Thakur, Executive Director, Atlanta CEO Council, which empowers local CEOs to excel by connecting them to their most valuable resource: each other. Mr. Thakur was the moderator for this panel. www.atlantaceo.org

Topics Addressed on the Alternative Fundraising Panel

- ✓ Presentation and pitching best practices
- ✓ Dilution associated with various funding alternatives
- ✓ Attractive company and management characteristics
- ✓ Board representation policies
- ✓ The evolving funding landscape in Austin
- ✓ Recurring-revenue based lending
- ✓ Venture debt
- ✓ Growth equity venture capital
- ✓ Crowdfunding

M&A Exits Panel

Our M&A Exits panel was comprised of individuals with expertise in various aspects of the deal process.



Stephen Day, Co-Founder & Managing Director, Navidar. An investment banking firm focused on technology companies based in the middle corridor of the United States. Navidar principals have completed more than 300 transactions representing transaction volume of nearly \$70 billion in M&A and capital raising, for both private and public companies, over the past 20 years. www.navidar.com



Scott Craig, Partner, Wilson Sonsini Goodrich & Rosati. The firm provides a broad range of services and legal disciplines, including mergers and acquisitions. www.wsgr.com



Lathrop Smith, Partner, Maxwell Lock and Ritter. As the largest locally owned and managed accounting firm in Central Texas, it has offices in downtown Austin and Round Rock. www.mlrpc.com



Lou Agnese, SVP, RetailMeNot. The company is a leading savings destination connecting consumers with retailers, restaurants and brands, both online and in-store. RetailMeNot is in the process of being acquired by Harland Clarke for \$630M. www.retailmenot.com



Tejas Vakil, CEO, FinanceGenius. Mr. Vakil was the moderator for this panel. FinanceGenius provides a leading SaaS solution that helps lenders capture and process more loans without adding more staff by improving the consumer lending process for both the borrower and the lender. financegenius.com

Topics addressed on the M&A Exits Panel

- ✓ How to prepare early for an exit
- ✓ Importance of creating a business and financial story, instead of just a customer story
- ✓ Metric driven financial models
- ✓ Entity structures
- ✓ Accounting best practices for an exit
- ✓ Preparing for an exit from a legal perspective
- ✓ War stories
- ✓ Valuation
- ✓ Figuring out employee roles early on
- ✓ Timelines
- ✓ Resisting temptation to accept the first offer

Keynote Presentation

Katie May, CEO of ShippingEasy spoke about lessons she learned during her successful career as an entrepreneur and investor. The topics she touched were gleaned from the following experiences.



Investing, funding, and selling **ShippingEasy** to Stamps.com for \$65M in 2016



Founding and selling **kidspot.com.au** to News Corp in 2011



CMO and early employee of **Seek Limited** (AUX:SEK), which currently has a \$4.4B market capitalization

About Navidar Holdco LLC

Navidar Holdco LLC, with a presence in Austin, Cleveland, Dallas, Denver, Indianapolis, Minneapolis and San Antonio, is an investment banking firm that provides businesses and investors in dynamic industries with strategic merger and acquisition advice, capital raising solutions and corporate advisory services. The firm focuses on SaaS software, eCommerce & Internet, IT and engineering services, specialty manufacturing, and health care information technology companies. Navidar principals have completed more than 300 transactions representing transaction volume of nearly \$70 billion in M&A and capital raising, for both private and public companies, over the past 20 years. To learn more about Navidar, please visit www.Navidar.com.

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