

Empowering organisations to create value through data

Preparing for Exit 2023

Harnessing data assets to drive valuations at exit

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Is it good enough to start thinking about data when approaching exit?

- Exit planning should start at acquisition
- Better controlled equity story, conveying the success stories of ownership from the start
- Readiness allows for pre-emptive measures and sale opps with strategics
- Data assets & foundations embedded with mature management team

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How do good data (& data assets) lead to higher deal success and valuations?

- Reduces buyer risk, as historic and future narratives are underpinned by data
- Inherent value in data assets themselves MI, reporting, data platforms, governance etc
- All exit focused advisors produce analytics from single-source-of-truth
- Diligence providers increasingly using AI tools requiring strong data foundations

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Why is management buy-in to building these data assets important during the exit process?

- Higher expectations of data-mature management teams
- Assessments of readiness to execute VCP initiatives
- Increased importance of tech and data due diligence
- Management and PE aligned that investing in data drives a better exit



We work across the PE acquisition timeline, including a focus on supporting portfolio companies through exit

Acquisition Timeline

Sourcing	Diligence	Acquisition	Value Creation	Exit		
Public Data	Data Room	Internal Company Data & Operational Control				

Data-led Deal Origination

Data Enrichment

One-off enrichment of deal / pipeline making use of existing data sources and scraping additional datasets

Process Automation

Automation of updates to deal pipeline data and generation of reports and notifications to team members

Pipeline Expansion

Expansion of deal pipeline by identifying target companies that fit criteria

Due Diligence Support

Rapid Data Insights

Quickly turn messy data from data room into interactive dashboard answering key diligence questions

Voice of the Customer

Scrape externally available data sources to evaluate customer perception and highlight growth opportunities

Data-driven First 100 Days

Foundational MI Apps

Rapidly develop tools to enable real-time KPI monitoring and tracking performance against VCP

Data Assessment

Map out existing data landscape and identify quick win initiatives to deliver initial VCP



Data-led Value Creation

Advanced MI Uplift

Enhancement of existing KPI tracking & creation of additional MI to drive deeper insight into key decision areas

Commercial Insights

Using data to support decision making, incl.

- Predictive modelling
- Customer Lifetime Value

Data Advisory

Achieve strategic objectives through establishing and delivering data roadmap

Data-informed Exit Positioning

Exit Data Cube

Providing robust consolidated company data to support each aspect of the deal process in order to drive efficiency and ultimately valuation

Investment Thesis Testing

Use analytical techniques to test & prove hypotheses that justify an increase in enterprise value









In exit, more sophisticated data assets are expected and drive higher valuations

Exit Landscape



PortCos realise higher valuations if they are able to:

- Tell a data-backed equity story with headroom for growth
- Control the narrative of key investor questions (e.g. pricing, churn etc.) with robust data
- Demonstrate a management team who have access to real-time insights to run the business



Data maturity, including on-demand access to clean & granular data, is increasingly diligenced by investors



Data science and engineering capabilities with a tight commercial focus are essential for exit preparation



Established DD providers do not have the capability to deliver in an increasingly complex data landscape



Leveraging more sophisticated data assets are therefore driving higher valuations for advisors & investors



To ensure strong exit positioning and presentation as a data mature business, JMAN focuses on essential support and value throughout the process

Exit Support Model

Flexible engagement model ranges from 'secondment' style support, to full stack Consulting, Analytics & Engineering team

IM

Mandate





- Understand data health and source system status
- Define early investment story hypotheses with management
- · "Get to know" target and go-tomarket ambitions

Exit Analytics & Hypothesis Testing

- Rapid analytics to surface historical growth performance
- Iterative hypotheses and investment narrative testing



VDD

Data Room



- Interactive dashboarding suite released to investors
- · Operationalised dashboards driving mgmt. data maturity
- Analytics tailored to the investment story and VCP



Data Cleaning & Exit Cube

- Exit-ready, transaction-level, single-source-of-truth data
- Sourcing and cleaning data from source systems
- Used for all exit analysis and in the VDR
- Operationalised, refreshable data cube remains business asset post-exit



Financial Modelling & **VCP Development**

- Identification of value creation drivers to build into the VCP
- Financial modelling support, underpinned by data analytics



Investment Round Management Support

- In-house support to **bolster** capacity and capability of management team
- Trusted data owner through investment rounds

Common hypotheses to test for

- Recurring & re-occurring revenue
- · Low (regrettable) churn
- Cross-sell ability (organic or M&A)
- · Successful price increases
- · Optimising asset utilisation
- Customer-level profitability



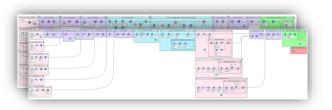
These assets enable management teams to present the business with a confident and consistent narrative throughout the exit process (and beyond)

Deliverables



Operationalised Data Cube

- Structured and cleansed, transactional level data used exit analytics and VDR
- Operationalised and repeatable logic – leaving the portco with a tangible data asset for all future MI

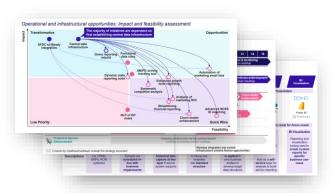


- Data cube (month, customer, product)
- Product hierarchy
- Master customer list
- Customer & product dimension maps



Financial Modelling & VCP Development

- Financial modelling support for budget and plan prep
- Outputs identify key strategic and quick-win opportunities to drive data maturity in people, processes, and tech





Exit Materials

- Analytical capacity and capability support across the timeline
- Outputs can include VDD analyses, IM/teaser pack creation, "fireside chat"/bidder meeting materials, ad hoc analytics during investment rounds





Dashboard Suite

- Series of automated MI dashboards developed and deployed operationally within the business
- Outputs are curated to demonstrate the investment thesis e.g. low regrettable churn, ability to flow pricing through to the bottom line, cross-sell to new acquisitions etc.





Selected case studies





We combine commercial acumen, data science and full-stack data engineering capabilities to deliver value for investors, across the deal cycle







Strong track record with 50+ funds & 250+ portfolio companies



Deliver across the deal cycle, from sourcing to value creation to exit

Sourcing	Diligence	Acquisition	Value Creation Value Creation Advanced commercial insights to drive high-ROI value levers:		Exit
Deal Origination	Due Diligence Support	First 100 Days			Exit Positioning
Leveraging external data to enrich data-driven origination	Rapid data room analytics & interactive dashboards to answer	Identify quick-win initiatives & data infrastructure opportunities			Robust data cube & investor dashboards supporting data-backed
A decrease to address of the control	core investment theses	la colonia de la constitución de la colonia	• Up/cross-sell	 Pricing 	equity story to, driving valuation
Automated systematic and thematic origination	Sizing of value creation levers to underwrite deal	Launch value creation initiative & track ROI – rapid analytics & data foundations/infrastructure	 Churn prediction 	 Pipeline optimisation 	Hypothesis testing and value creation identification, to shape
Deal teams can track & identify			 Lead scoring 	 Gen Al 	optimal narrative to next investor
potential targets at scale	Data asset diligence – will data infrastructure support investor ambitions	Embed real-time KPI & MI dashboards – enabling data-driven management teams	• CLV / CAC	opportunity identification	Embed operational analytics, to
			Data infrastructure development to ensure a scalable business		present a data-mature business with a data-driven mgmt. team

Focus areas B2B services, SaaS/subscription, IT services, financial services, ed technology, healthcare, pharma, buy-&-build, M&A roll-ups, geographical expansion





TA ASSOCIATES































Provided rapid analytical and advisory exit preparation for a PE-backed SaaS investment platform and events business

SaaS Exit Preparation



Challenge

A global investment data platform and events business, approaching exit, required analytical capability to build their data cube and enhance their investment story using advanced insights

Outcomes

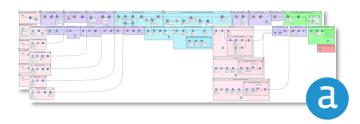
Rapid creation of a **comprehensive data cube** for the DD data room, connected to live data sources with cleansed **customer master tables** and defined **product hierarchies**

A live, interactive reporting suite, including a customer revenue bridge, cohort analysis and crossholding deep-dives, ready for use by finance and sales teams post-exit

Ad hoc analytical work to support the creation of the IM, demonstrate the successful delivery of value creation initiatives and effectively communicate the investment story and future value creation opportunities

Outputs

Data Cube Preparation



- Data cube (month, customer, product)
- Product hierarchy
- Master customer list
- Customer & product dimension mapping

Business Strategy Analytics & Advisory



Exit & Operational Reporting Suite





Supported a PE-backed IFA house to present a clear exit narrative, underpinned by a robust data cube

Investment Services

Exit Preparation



Challenge

A PE-backed IFA house had grown rapidly through acquisition & were preparing for exit, but unable to present an accurate picture of growth due to challenges linking data from multiple systems

Outcomes

Designed a clear data roadmap & delivery plan, enabling the business to prioritise key use cases for exit narrative according to commercial impact, speed to deliver & feasibility

Built a robust, cloud-based infrastructure connecting core business sources & enabling the business to access previously unseen insights on performance & levers for growth

Developed a core suite of

Management reports to evidence

ARR & acquisition-based

growth, and drive improved

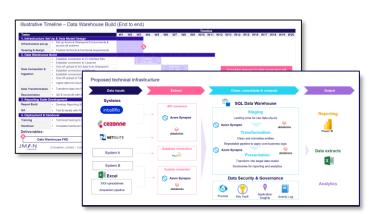
commercial performance

Outputs

Prioritised data roadmap, focused on key use cases for exit narrative



A robust data cube connecting core business systems to support exit process



Valuable reporting assets, demonstrating recurring revenue & acquisition-based growth





Added £30m to the valuation of an insurance company, using ML models used to exceptionalise a decline in revenue



Challenge

PE-backed insurance company experienced operational issues from a new technology implementation leading to a decline in revenue in advance of exit

Outcomes

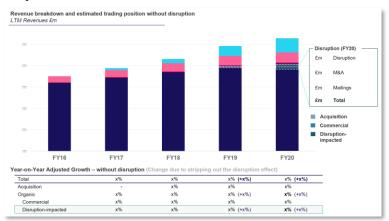
Explained downturn and ability to accurately predict future revenue led to an increased valuation upon exit

Buy side team had confidence in results following model walk-through sessions

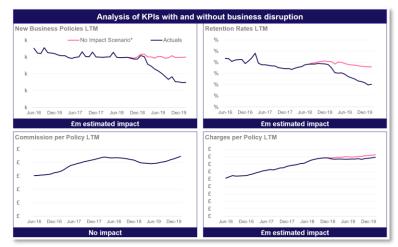
Model could be assessed on a go-forward basis by management team using rebound scenarios

Outputs

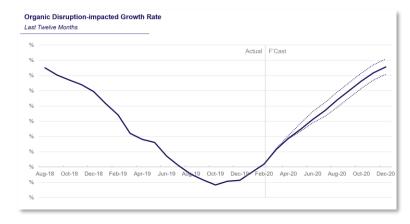
Impact assessment



Revenue modelling



Rebound scenarios





Demonstrated competitive advantage for B2B services provider using spatial analytics



Challenge

PE-backed technology services business wanted to demonstrate competitive advantage of it's location base across the US to potential investors

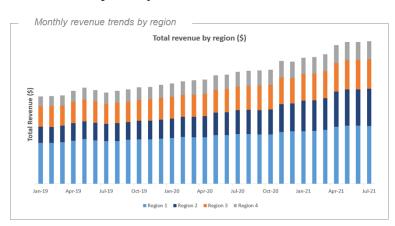
Outcomes

Demonstration of competitive advantage by showing a significant proportion of customers are based in areas only serviced by the portfolio company and no competitors Understanding of geographic & competitor trends, showing increased revenue growth in sole-provider locations (including increased pricing power)

Analysis used to demonstrate company valuation, and evidence competitive advantage highlighted in business plan

Outputs

Revenue by competitiveness of location



Customer locations



Spread of customers compared to competitors

