

FOCUS

Investment Banking

Investment Banking for the Middle Market

Founded in 1982, FOCUS is an international investment banking firm headquartered in Washington D.C. with regional offices in Atlanta, Chicago, San Francisco and Los Angeles, and affiliates in Europe and Asia. FOCUS specializes in Mergers and Acquisitions (M&A) and corporate finance transactions for companies with revenues in the \$10 million - \$300 million range.

Financial Alternatives Team

FOCUS Clients often require capital beyond their existing equity and commercial banking facilities to support acquisitions, rapid growth, investment in plant and equipment or to meet other specific needs. In the current environment many companies are also facing the need for financial alternatives arising from changes in bank underwriting standards. The FOCUS Financial Alternatives Team specializes in arranging financing from sources outside of traditional banking relationships, including:

1. Junior Capital, including mezzanine
2. Enterprise value loans
3. Asset based facilities
4. Growth equity

These transactions involve complexities that make them much more difficult to arrange than a traditional bank loan. The providers typically market on a regional or national basis and often do not have representatives in the borrower's local market. As a result smaller firms find it very difficult to identify alternative financing sources on their own.

Candidates for alternative financings are frequently in a period of business transition, because of internal operational issues, difficult economic or market conditions, or because they are involved in complex transactions such as family buyouts and generational transfers. Often success in arranging an alternative financing hinges on the ability of the borrower to demonstrate to the satisfaction of the lender/investor that its actual prospects are better than its historical financial performance would indicate.

FOCUS brings to bear decades of experience in arranging complex financings. Our services include:

- Objective analysis of the client's situation and prospects for funding.
- Building of interactive financial models to serve as the basis for presentation and negotiation of the financing.
- Presentation of the client's "story" in a creative and engaging way to demonstrate to the lenders/investors the positive aspects of the client's situation.
- Identification of multiple funding sources targeted to the client's specific situation.
- Negotiation of financing arrangements with the lender/investor.

FOCUS Differentiators

Professional Service to the Middle Market

FOCUS exclusively serves Middle Market sized businesses, providing each Client with professional service levels normally affordable only by larger companies. We can do so by leveraging the experience of our Bankers, our proven methodologies, and our extensive networks of national and international contacts.

Our Bankers Drive Assignments

Most FOCUS bankers are seasoned former operating executives with prior experience as CEOs, COOs, and CFOs and several were senior executives at financial institutions. We therefore bring an insider's perspective to capital transactions, both from a Client's and the investor or lender's point of view. We can understand the nuances of the Client's needs and match them to specific funding sources.

Common Client Characteristics

- Revenues over \$10 million
- Profitable or unprofitable
- Borrowing requirements of \$3 million +
- Frequently being forced out of an existing banking relationship
- Historical EBITDA of \$2 million +
- Opportunities for growth
- Frequently without substantial tangible assets to support traditional lending
- Financing needed for recapitalization, growth or acquisitions or to replace existing lender

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