Title Industry Business Valuation and M&A Road Map

1. **Initial Valuation**
   How much is the agency potentially worth?
   - **Market Multiples Report**
     Gain understanding of market transaction multiples from recent comparable transactions
   - **Normalized Cash Flow Analysis**
     Gain understanding of normalized cash flows generated by agency as well as cash to accrual considerations
   - **Benchmark Report**
     Gain understanding of key financial metrics compared to industry peers (Optional)

2. **Synergy Assessment**
   Would the transaction make a smart combination?
   - **Client Base Analysis**
     Identify synergies and redundancies
   - **Relationships and Fit**
     Are the key employees a good fit culturally and operationally?
   - **Technology Considerations**
     Gain understanding of system platforms to identify synergies and challenges
   - **Risk Assessment**
     Gain understanding of the risks associated with the transition, merge or sale of agencies
   - **Earnout Provisions**
     Gain understanding of the structure of potential earnout scenarios
   - **Goodwill**
     Assess the monetary value of reputation, influence, and goodwill of the agency

3. **Opportunity Assessment**
   Do we have the opportunity to buy/sell & for how much?
   - **Detailed Financial, Tax and Profitability Due Diligence**
     Gain detailed understanding of cash flows, profitability, cost structure, balance sheet/working capital requirements and tax matters of target buyer or seller to substantiate contemplated transaction consideration price (can be shared with co-investors or lenders)
   - **Transaction Valuation**
     Construct a detailed valuation model of the contemplated transaction:
     - General ledger accounting analysis
     - Escrow accounting analysis

4. **Transaction Execution**
   How do you assist with the execution of the transaction?
   - **Transaction Diligence**
     Transaction execution including tax structuring considerations
   - **Deal Execution**
     Putting the transaction details on paper and executing the deal

**Post Transaction**
What happens after the transaction?
- **Ongoing tax & compliance work**
- **Purchase price allocation analysis for financial and tax reporting**
  - People
  - Processes
  - Systems

For more information on Aprio Title Industry Business Valuation and Transaction Advisory services, contact:

Michael Levy
Partner-in-Charge, Transaction Advisory Services
770.353.7168, michael.levy@aprio.com

Carrie Zhou
Director, Valuation Services
770.353.3024, carrie.zhou@aprio.com

APRIO and the pentagonal pinwheel are marks of Aprio, LLC.