



JUBILEE CAPITAL

TRANSFORMING SMB EXITS INTO OWNERSHIP FOR THE NEXT GENERATION

TARGET: 25%+ IRR | LONG HOLD | CASH DISTRIBUTIONS

THE PROBLEM

THE SILVER TSUNAMI

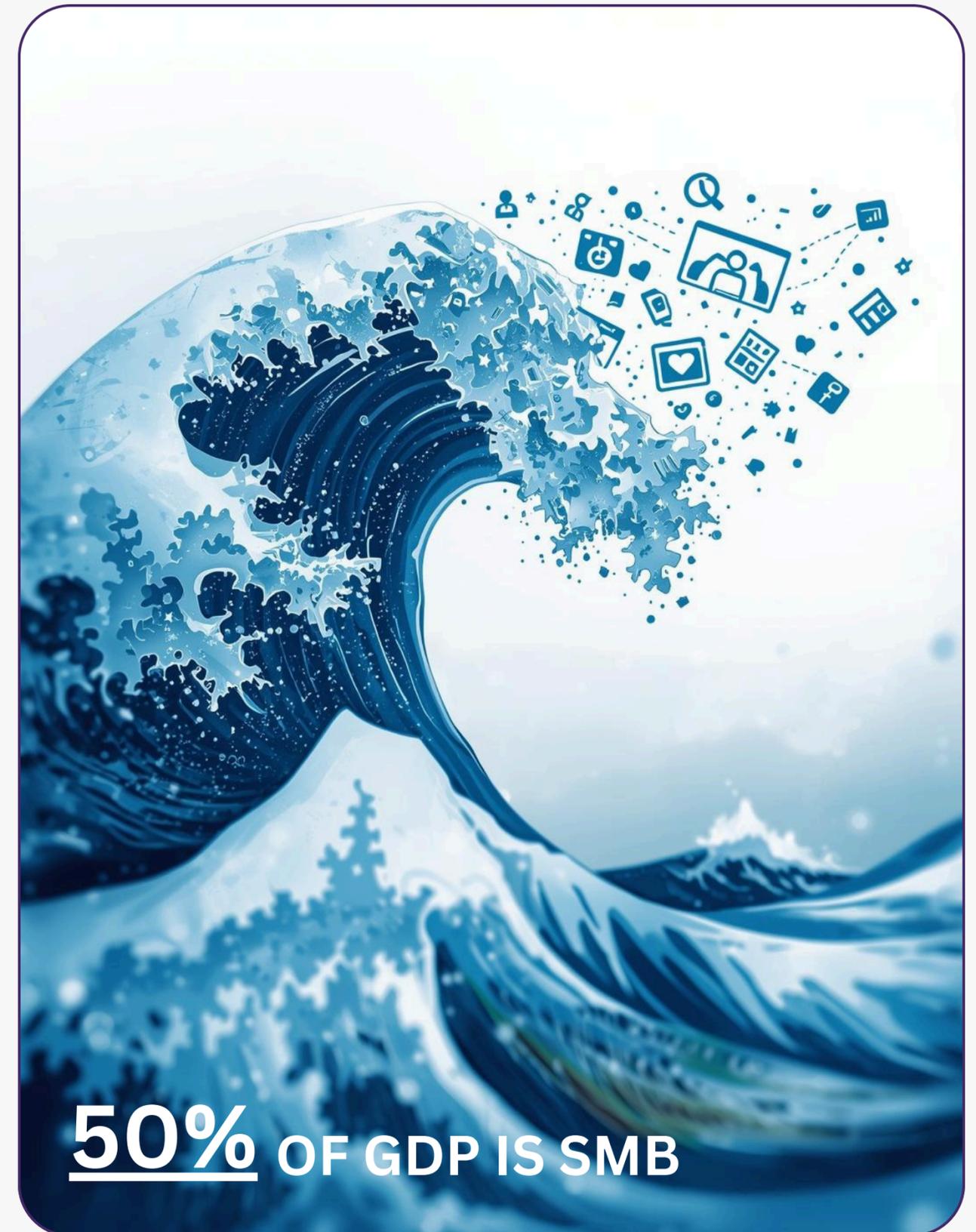
**25% OF SMB OWNERS
ARE RETIRING IN 5 YEARS**

150,000 + SMALL BUSINESSES EACH YEAR

\$2.5 TRILLION OF MAINSTREET BUSINESS VALUE

Only 25%

Have a plan to transfer to family



THE ROLL UP

75% OF SMBS WILL CLOSE
OR EXIT TO PRIVATE EQUITY

WITHIN 10YRS

**THE MAJORITY OF SMBS WILL BE
OWNED BY INSTITUTIONAL
CAPITAL AND ROLL-UPS**



LOCAL MATTERS

LOCAL OWNERS INVEST 3-4X MORE IN COMMUNITIES

- LOCAL PAYROLL STAYS LOCAL
- SKILLS TRAINING INCREASES
- JOB WAGES RISE
- VOLUNTEER ACTIVITY INCREASES

- SPORTS TEAM SPONSORSHIPS INCREASE
- NON-PROFIT ACTIVISM INCREASES
- DISASTER RESILIENCY RISES



“THE BEST COMMUNITY PROGRAM EVER INVENTED IS A DIGNIFIED JOB WITH A DIGNIFIED WAGE.”
- BEN RENO-WEBBER, ESSENTIAL INNOVATIONS

THE REAL DANGER

**EXIT DRIVEN MODELS
DRIVE OVER-CONSOLIDATION**

**WE NEED A NEW MODEL:
... ACTUALLY AN OLD ONE**



BUY AND HOLD

WHAT IF “EXIT” WASN'T THE ONLY CHOICE?

“IF YOU AREN'T WILLING TO OWN A STOCK FOR TEN YEARS, DON'T EVEN THINK ABOUT OWNING IT FOR TEN MINUTES.”

WARREN BUFFETT



BUY AND HOLD

BUY & HOLD ALLOWS IMPACT INVESTORS TO:

- FOSTER LASTING GROWTH
- MAXIMIZE PROFITS
- INVITE INNOVATION
- STREAMLINE VALUE CREATION

- GROW OWNERS
- GROW PROFITS
- GROW COMMUNITIES



STEWARDSHIP CAPITAL

- **CAPITAL AS GUARDIAN**
NOT EXTRACTOR
- **PAYOUT VIA OPERATIONS**
NOT EXITS
- **OPERATOR MENTORSHIP**
NOT EXPERIMENTATION



ROLL UP -VS- STEWARDSHIP

ROLL UP



GOAL

Profit

Profit & Preservation

MANPOWER

Reduce

Install & Train Local

EXIT PLAN

Bundle & Sell

Long Hold & Mature

PROFIT

Increase Multiple

Cash Distributions & Value

TIME

5-7 years

15-20 years

**VALUE
CREATION**

Increase Multiple

**Increase Multiple
Install Local Owners
Bring in Systems**

THE LAST GUARD

BUY AND HOLD:

**PRESERVES THE FUTURE
PATH TO PROSPERITY**



THE 10-YEAR CHOICE

IN 10 YEARS
WE WILL BE A NATION OF:

RENTERS & EMPLOYEES

OR

OWNERS & OPERATORS



VALUE CREATION

HOW THE MODEL WORKS

ACQUIRE BUSINESSES
UPGRADE SYSTEMS
INSTALL NEW OPERATORS



- **IMPROVE REVENUE VIA MARKETING SYSTEMS**
- **IMPROVE MARGINS VIA SYSTEMS**
- **INCREASE PROFIT**

- **CAPITAL DISTRIBUTIONS:**
 - **30% BUSINESS GROWTH**
 - **30% INVESTORS**
 - **30% RESERVE / DEBT**
 - **10% NEW OPERATOR/OWNER**

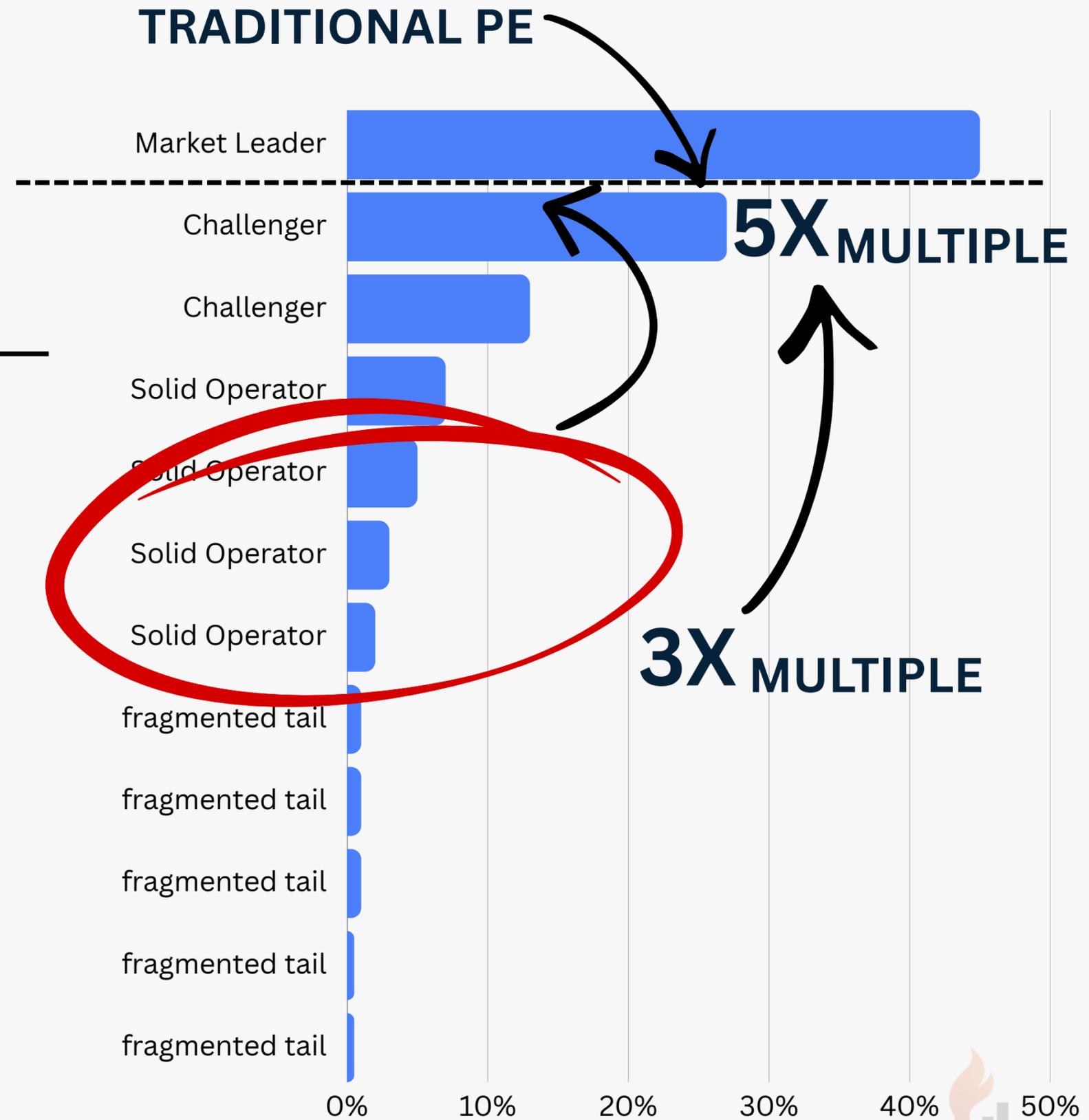


T.A.M. CHALLENGE

TYPICAL PRIVATE EQUITY
WANTS 5X TO 8X

WE ARE NOT TRYING TO...
TAKE OVER THE MARKET

ARE TRYING TO...
MAKE A SOLID OPERATOR A VERY
PROFITABLE ONE

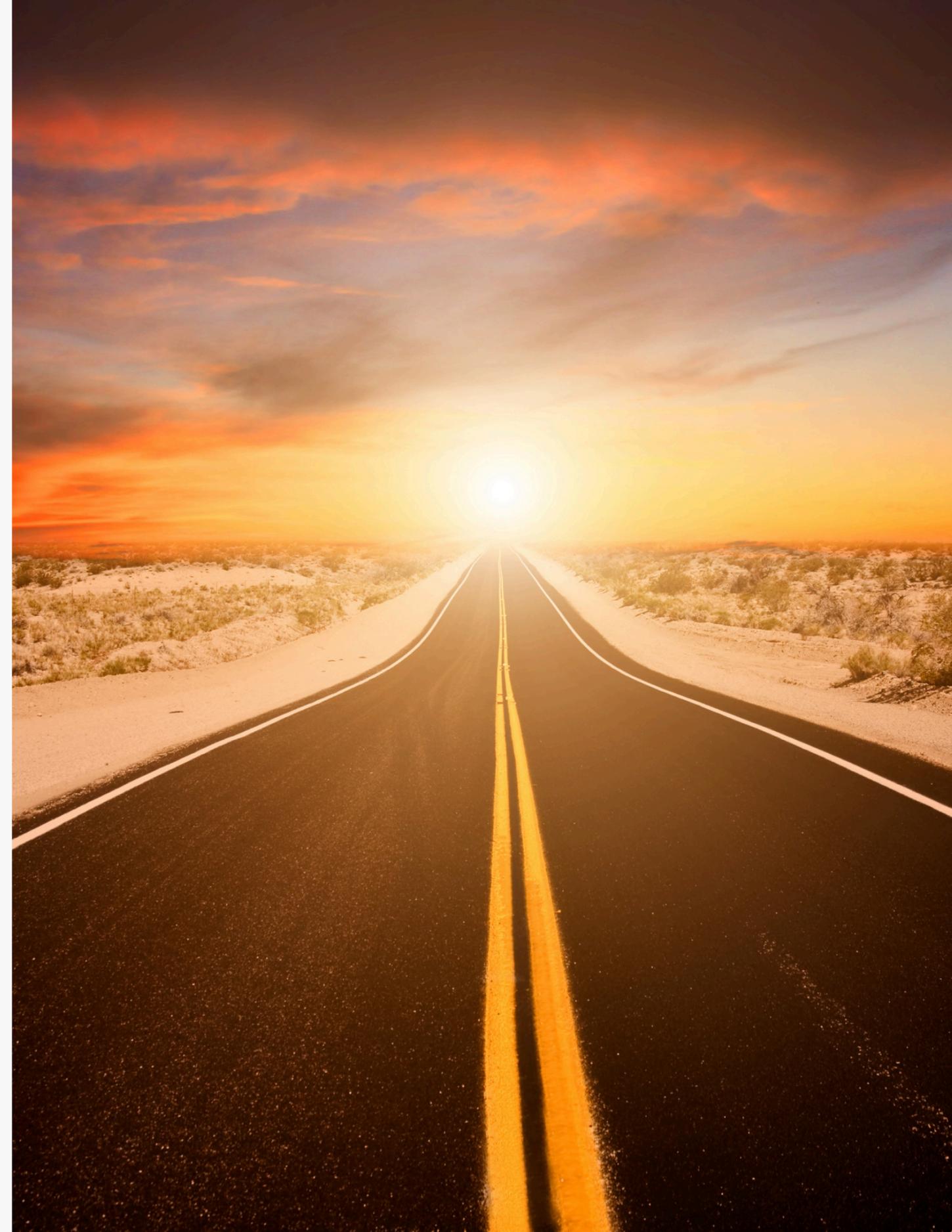


TIME HORIZON ADVANTAGE

PRIVATE EQUITY NEEDS
PROFITABILITY 3-5 YEARS

RETIRING BUSINESS OWNERS...
WANT OUT IN 5 YEARS

WE WILL BE HERE IN 20+ YEARS...
**STRUCTURING FOR LONG-TERM
VALUE**



VALUE CREATION LEVERS

JUBILEE CAPITAL PLAYBOOK:

- MARKETING SYSTEMS
- SALES SYSTEMS
- OPERATING SYSTEMS
- COST REDUCTION TOOLKITS
- PRODUCTIVITY TOOLKITS
- FINANCIAL TOOLKITS
- STRATEGIC TOOLS
- TACTICAL TOOLS
- LEADERSHIP TOOLS
- RELATIONSHIPS

***SEE THE TEAM**



THE TEAM

OPERATORS, INVESTORS, AND ADVISORS WITH DEEP EXPERIENCE BUILDING AND SCALING BUSINESSES.



**JUBILEE
CAPITAL** 

DREW SUTTON

**FOUNDER
MANAGING PARTNER**

- 35+ PATENTS
- FORMER CHIEF ENGINEER, LOCKHEED MARTIN
- LED \$31M ENGINEERING ORGANIZATION
- 10+ YEARS STARTUP & SMALL BUSINESS COACHING



Carto 

SIBU JANARDHANAN

**PARTNER
CFO & M&A LEAD**

- 25+ YEAR TEAM OPERATING EXPERIENCE
- 50+ COMPANIES SUPPORTED
- \$250M+ CAPITAL RAISED
- CFO & M&A STRATEGY
- FRACTIONAL CFO TO GROWTH-STAGE COMPANIES



 **FBT
Gibbons**

**DERRICK L. MAULTSBY
JR.**

LEGAL COUNSEL

- CORPORATE AND M&A ATTORNEY
- STARTUP AND VENTURE LEGAL ADVISOR
- ADVISOR TO STARTUPS AND INVESTORS
- FBT GIBBONS LAW FIRM PARTNER



 **Vessel**

WOLF STARR

STRATEGIC ADVISOR

- SERIAL ENTREPRENEUR AND VENTURE BUILDER
- NATIONAL STARTUP ECOSYSTEM CONNECTOR
- ADVISOR TO FOUNDERS AND VENTURE FUNDS
- DRIVES PARTNERSHIPS AND DEAL FLOW

DEAL SOURCING | FINANCIAL STRUCTURING | OPERATIONAL SCALING | LEADERSHIP DEVELOPMENT

TARGET SMB SIZE

**ESSENTIAL SERVICES
TO LIGHT MANUFACTURING**

\$3M - \$10M REVENUE

3X MULTIPLE

- WORD OF MOUTH MARKETING
 - LOW TECH ADOPTION
 - NON-DEGREE + TRADES MIX
-
- HIGH EQUIPMENT LEVERAGE
 - ACTIVE GOVERNMENT CONTRACTS
 - ACTIVE CORPORATE CONTRACTS



THE FUND MODEL

CAPITAL STACK DISCIPLINE

10% DOWN

90% SBA / BANK / SELLER FINANCING

\$250K IN MARKETING & SYSTEMS

\$150K FOR NEW OPERATOR



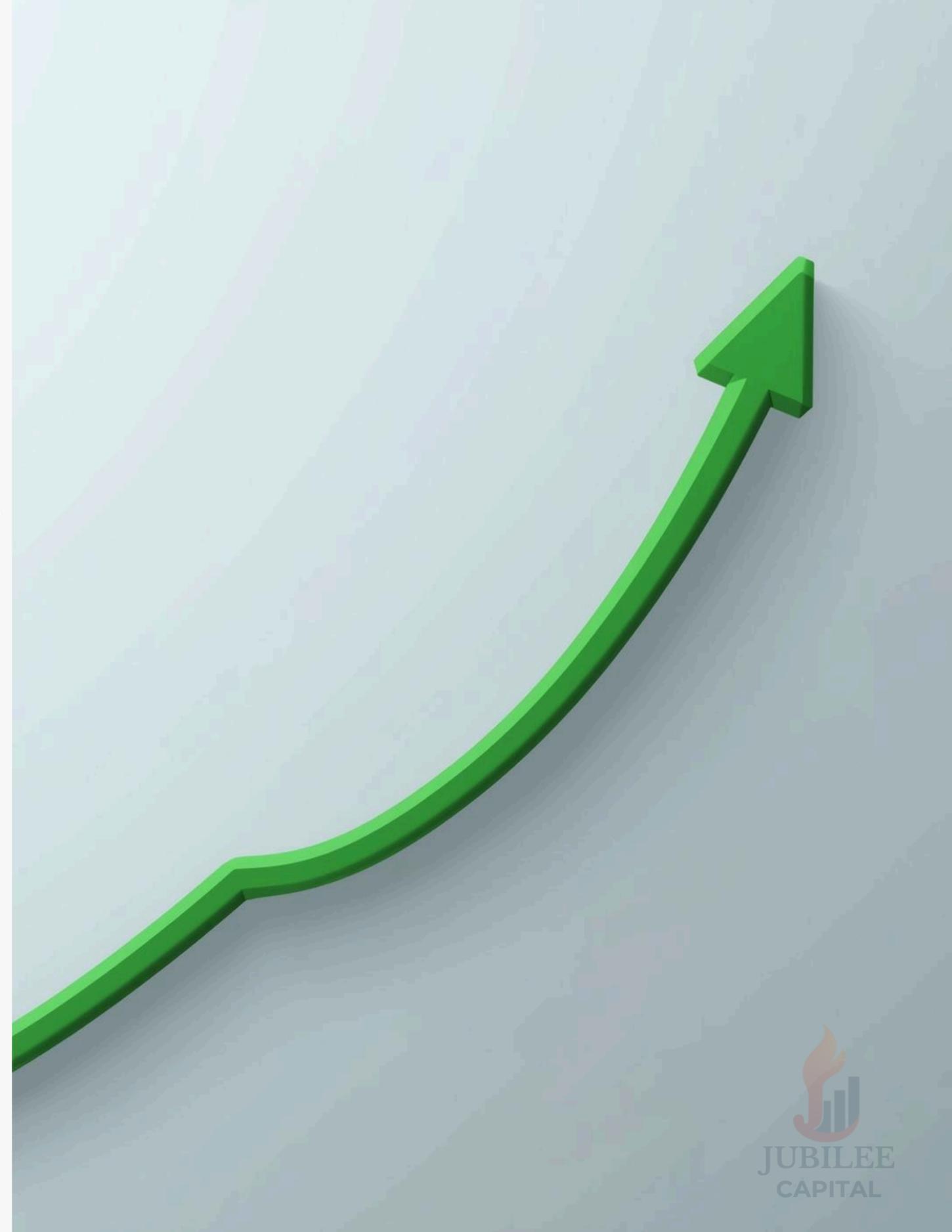
TARGET RETURNS

**25% IRR (RISK ADJUSTED)
CAPITAL RECOVERY TARGET: 3 YEARS**

**YEAR 1: RAISE & RESEARCH
YEAR 2: 6 COMPANIES
YEAR 3: 12 COMPANIES & PAYBACK
YEAR 4: CAPITAL RETURNED**

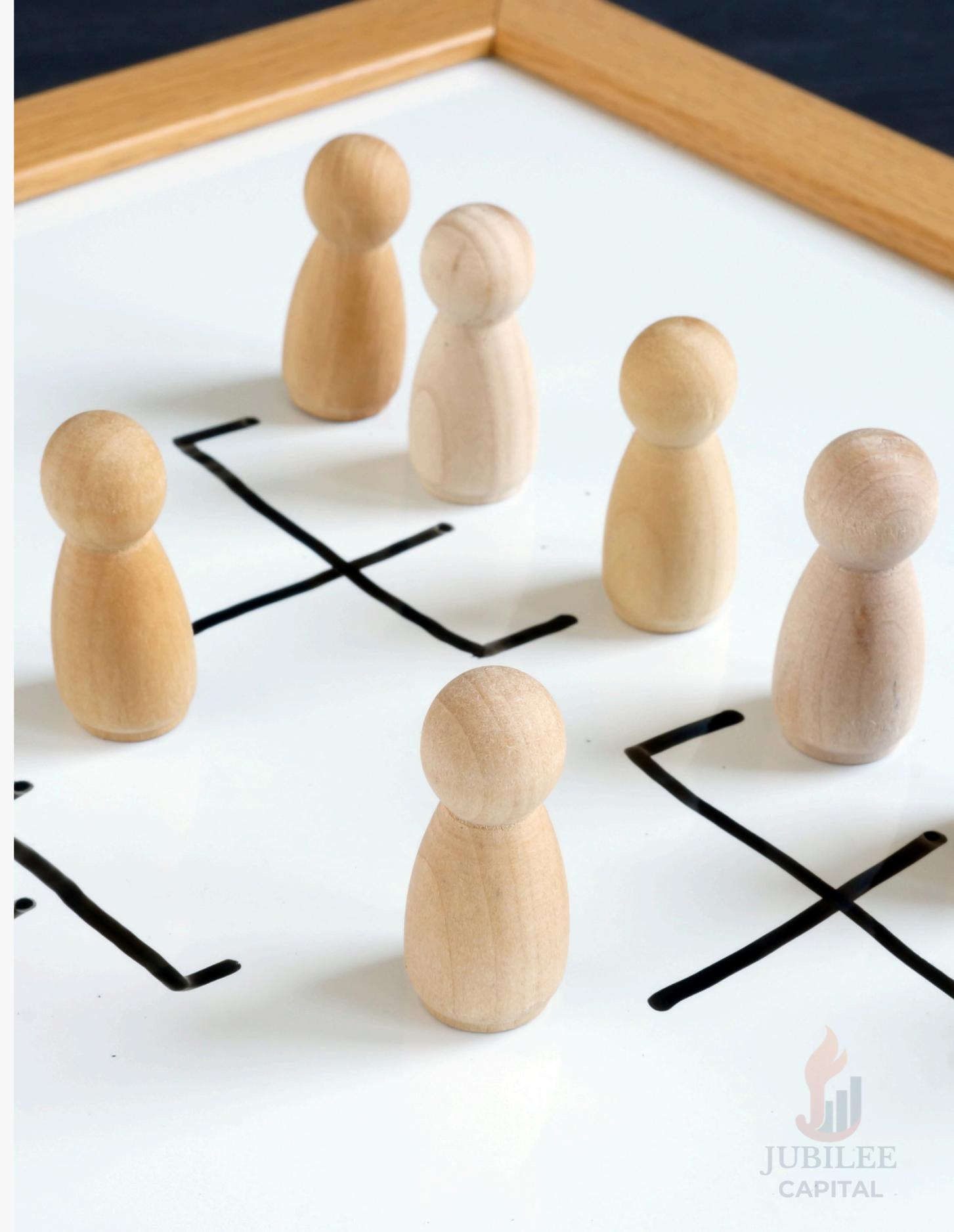
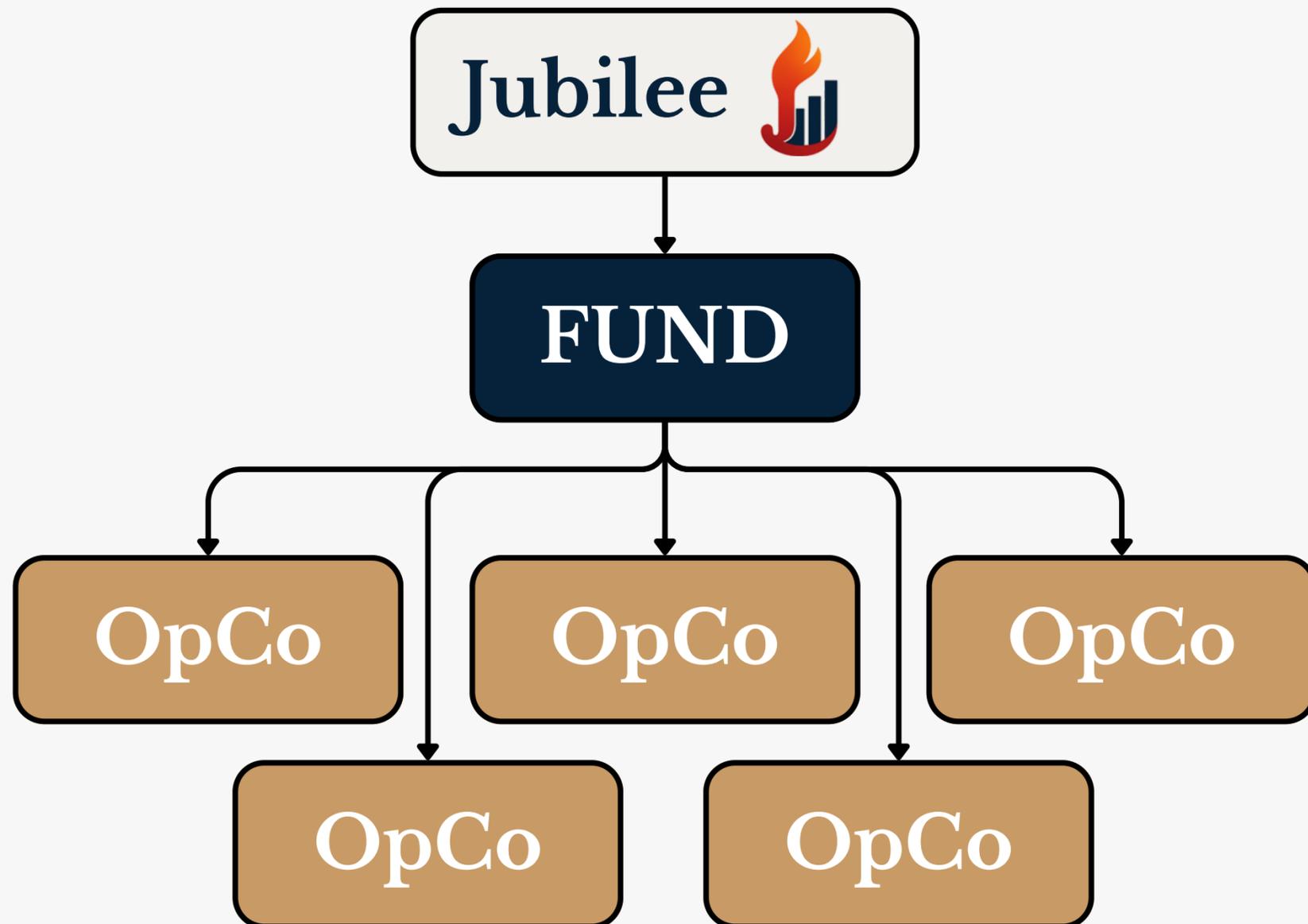
100% ASSET RETENTION

RETURNS ARE DEPENDENT ON MARKET CONDITIONS, AND THERE IS NO GUARANTEE OF FUTURE EARNINGS. CIRCUMSTANCES AND DUE DILIGENCE MAY RESULT IN A SALE.*



FUND STRUCTURE

FUND I STRUCTURE



FUND I STRUCTURE



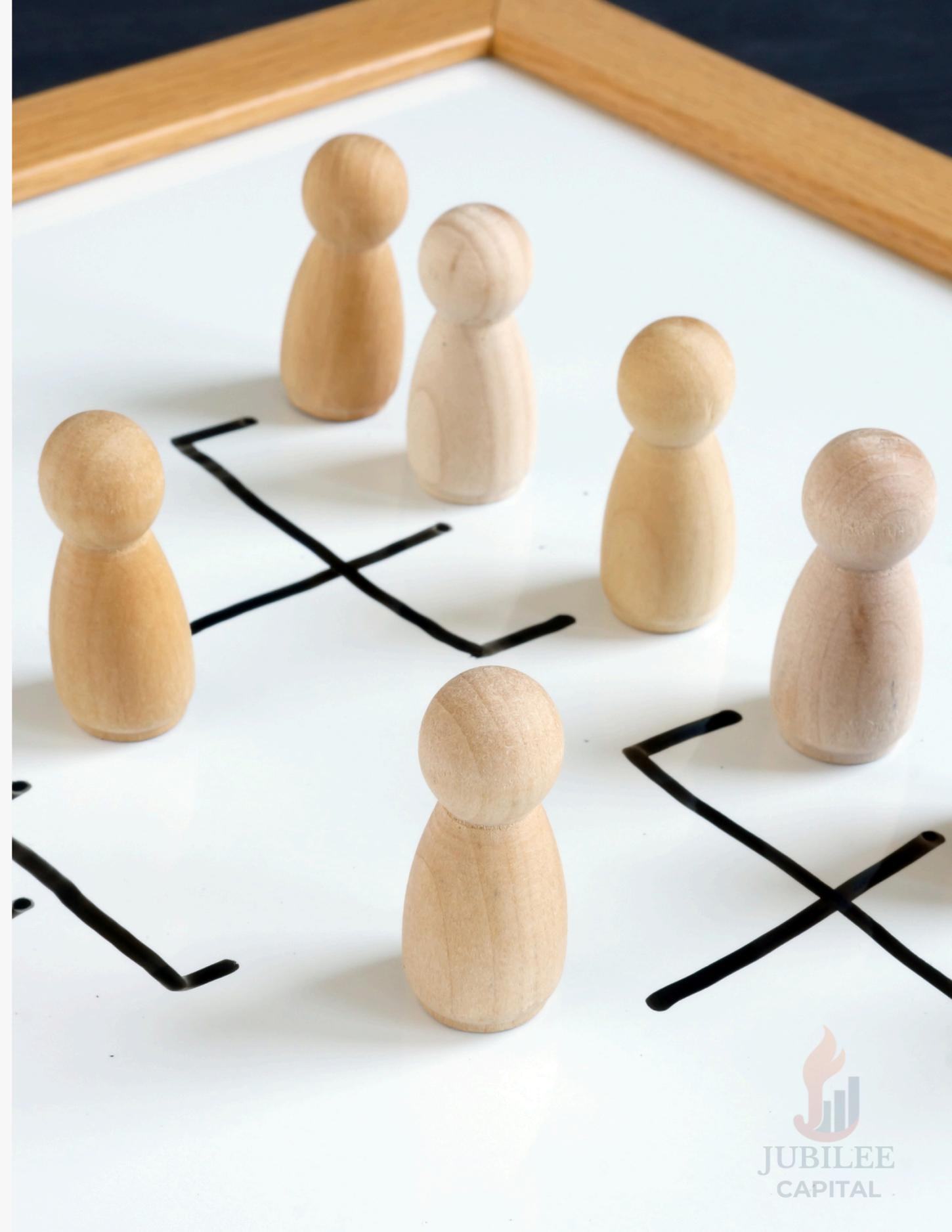
GOVERNANCE
SOURCE DEALS
SOURCE OPERATORS
IMPLEMENT SYSTEMS

FUND

ALLOCATE CAPITAL
DISTRIBUTE RETURNS

OpCo

OPERATORS
RUN THE BUSINESS



FUND I TARGETS

2 - 5% MANAGEMENT FEE
\$25M RAISE

FIRST CLOSE: \$5M 90 DAYS
HARD CLOSE: \$10M AUGUST
ROLLING CLOSE: \$25M DECEMBER



FUND I OWNERSHIP

GENERAL PARTNERS (GP) 10%

**EARLY MONEY
\$250K (30% DISCOUNT)**

**PRIMARY ANCHOR
\$2M (20% DISCOUNT)**

**SECONDARY ANCHOR
\$1M (10% DISCOUNT)**

**GENERAL LIMITED PARTNERS (LPS)
\$6.8M - \$24M \$100K MIN**



MILESTONES: FUND SET UP

EARLY MONEY: \$300K 6-9MO

LEGAL SET UP: \$50K - \$75K 

MARKETING ASSETS: \$25K

SALARY: \$75K 

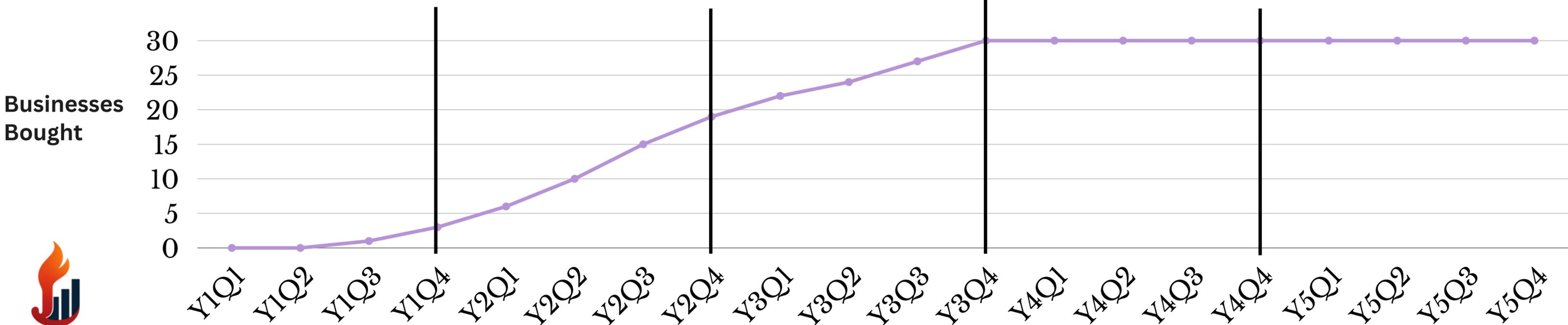
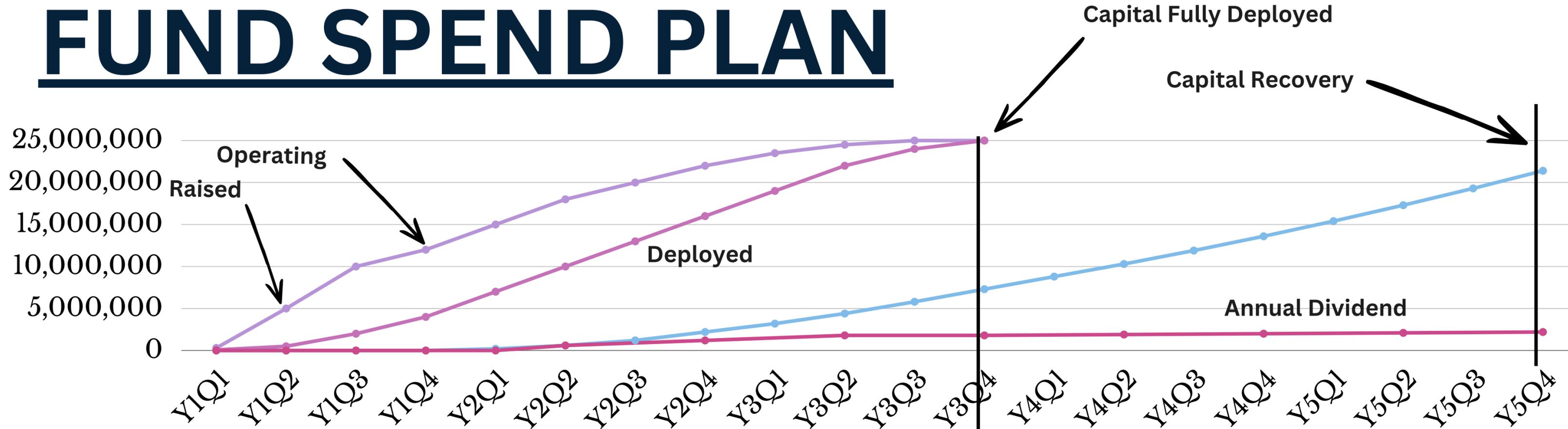
ADVISORS: \$50K 

TRAVEL AND EVENTS: \$75K

RAISE FUND | 3 COMPANIES



FUND SPEND PLAN

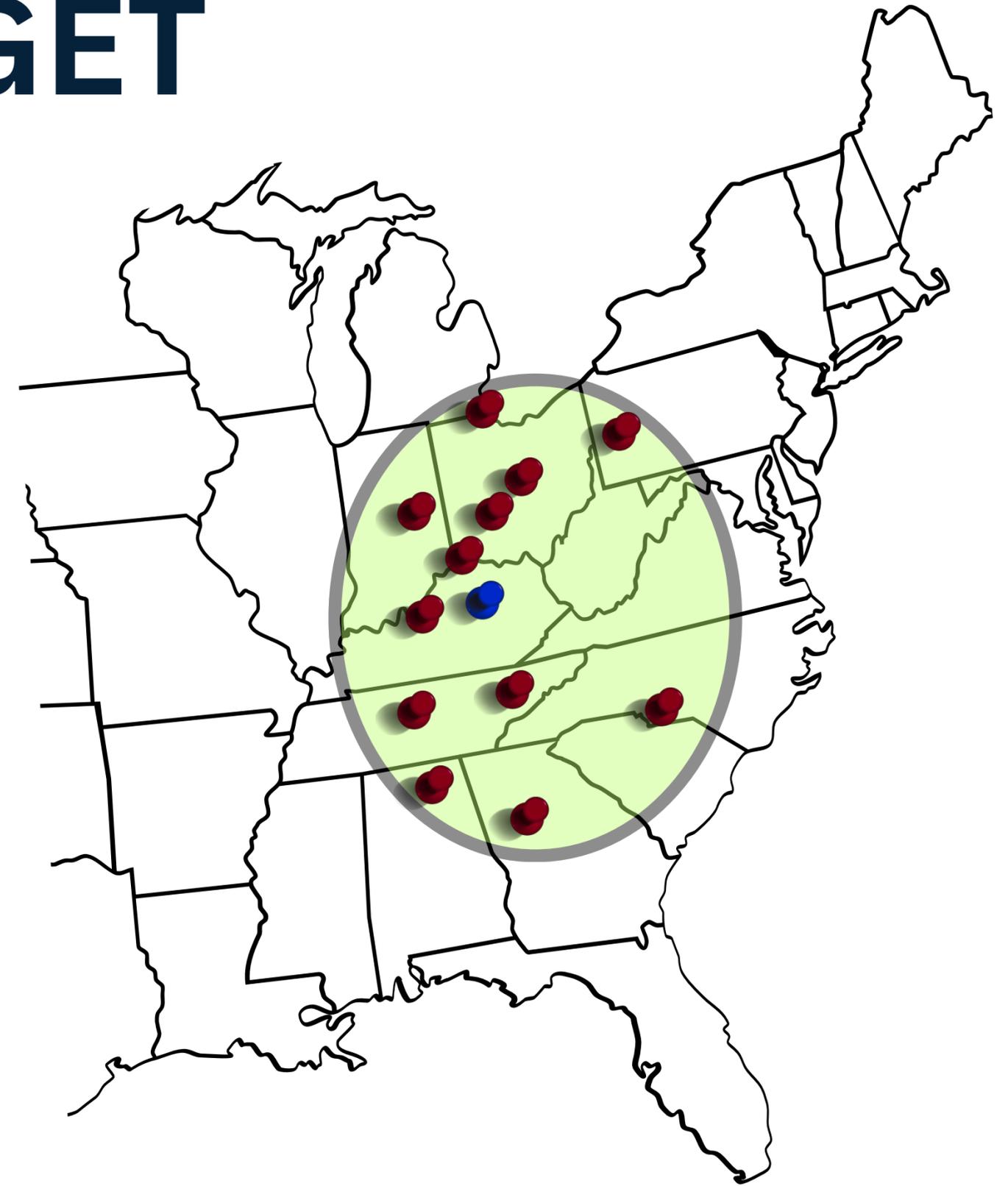


risk-adjusted, Illustrative model; not a guarantee of future earnings

GEOGRAPHIC TARGET

5-HR DRIVE FROM LEXINGTON, KY

- LEXINGTON, KY
- LOUISVILLE, KY
- CINCINNATI, OH
- COLUMBUS, OH
- TOLEDO, OH
- NASHVILLE, TN
- HUNTSVILLE, AL
- ATLANTA, GA
- INDIANAPOLIS, IN
- PITTSBURGH, PA



LASTING IMPACT

BIG PICTURE

5 YEARS

TSUNAMI



12-30

NEW OWNERS



25% IRR

ASSETS



THE INVESTMENT

**EARLY MONEY:
\$300K**

**ANCHOR INVESTOR:
\$1M - \$2M**





**JUBILEE
CAPITAL**

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