



JUBILEE CAPITAL

TRANSFORMING SMB EXITS INTO OWNERSHIP FOR THE NEXT GENERATION

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

THE PROBLEM

THE OWNERSHIP CRISIS

LOCAL BUSINESSES ARE AT RISK

80% of business owners are over 55.

Less than 30% have a succession plan



THE SILVER TSUNAMI

25% OF BUSINESS OWNERS RETIRING IN 5 YEARS

APPROXIMATELY 150,000 + SMALL BUSINESSES WILL TRANSITION EACH YEAR FOR FIVE YEARS, CREATING A CRITICAL WINDOW FOR GENERATIONAL TRANSFER.

Only about 20–30% successfully transfer to family.



EXIT-DRIVEN CAPITAL

THE LIE THE ONLY OPTION IS “EXIT”

THE CURRENT PARADIGM INCENTIVIZES SPEED OVER STEWARDSHIP IN INVESTMENTS.



THE REAL DANGER

EXIT DRIVEN INVESTMENT MODELS DRIVE OVER-CONSOLIDATION

INSTITUTIONAL CAPITAL IS INCREASINGLY CONSOLIDATING ESSENTIAL-SERVICE SMBS.

- DIMINISHED LOCAL CONTROL AND DECISION-MAKING
- WAGES DECREASE
- LOCAL VENDOR SPEND REDUCED
- LOCAL SPONSORSHIPS REDUCED



PURPOSE

BUSINESS IS MORE THAN JUST MONEY

**LOCAL OWNERSHIP KEEPS PROFIT, PURPOSE, VALUE CREATION WHERE IT BELONGS
IN THE COMMUNITY THAT GENERATES IT.**

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



A PERFECT ANALOGY

**AFFORDABLE HOUSING
CRISIS IS A SYMPTOM...
NOT THE CAUSE**

DISCUSSIONS FOCUS ON APPARENT AFFORDABILITY
ISSUES, WHILE THE REAL ISSUES ARE UPSTREAM:

PURCHASING POWER

THE HUMAN COST

LOCAL OWNERSHIP IS THE PATHWAY TO COMMUNITY HEALTH

THE ABSENCE OF LOCAL OWNERSHIP CREATES DEPENDENCY, RISK AVERSION, AND POVERTY





UPSTREAM CHALLENGES

OWNING A PROFITABLE BUSINESS IS THE PATH TO PROSPERITY

THE *CAPITAL STRUCTURES* FOR ASPIRING BUSINESS OWNERS ENCOURAGE *DEBT BEFORE OPERATIONAL READINESS*.

RISK IT ALL OR FIND EMPLOYMENT...
IS A FALSE CHOICE.



IT'S NOT ALL ABOUT MONEY

“ENTREPRENEURS” MUST MASTER EVERYTHING... ALL AT ONCE

- FUND RAISING
- MARKET KNOWLEDGE
- TECH STACK
- PRODUCT MARKET FIT
- MANUFACTURING
- MARKETING & SALES
- LEGAL
- LEADERSHIP
- ...

**1 IN 5
BUSINESSES
FAIL
IN 5 YEARS**

THE NEW MODEL

BUY AND HOLD

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

BUY AND HOLD LETS IMPACT INVESTORS:

- FOSTER LASTING GROWTH
- MAXIMIZES PROFITS
- SECURE ENTRY FOR NEW OWNER / OPERATORS



STEWARDSHIP CAPITAL

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



HOW THE MODEL WORKS

ACQUIRE BUSINESSES
UPGRADE SYSTEMS
INSTALL NEW OPERATORS

- **DOUBLE REVENUE** VIA MARKETING SYSTEMS
- **DOUBLE PROFITABILITY** VIA SYSTEMS
- **4X EBITDA**

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



EXAMPLE: Acme HVAC

\$3Mil Rev, 15% profit = EBITDA \$450,000

Purchase: 3x EBITDA = \$1.35Mil

JC: 10% = \$135K

Note: 10yrs @8.5% = 1.215Mil (Payment = \$185,000/yr)

New Operator = \$150K (100K + Benefits)

- Website / CRM / Automation \$25,000
- Marketing / Ads \$75,000
- Sales Rep \$50,000
- Process Consultant \$25,000
- Working Capital Buffer \$75,000

Total Modernization Budget \$250,000

EBITDA after Modernizing and Staffing:

- \$450,000 (No EBITDA change)
- \$150K (Operator)
- \$135K (Downpayment)
- \$185K (New Debt)
- \$120K (Cushion)
- \$250K (Modernizing)
- \$390K**

EBITDA after Modernizing and Staffing:

- \$900K (2X EBITDA)
- \$150K (Operator)
- \$135K (Downpayment)
- \$185K (New Debt)
- \$120K (Cushion)
- \$250K (Modernizing)
- + \$60K**

EBITDA after Modernizing and Staffing:

- \$1.35Mil (4X EBITDA)
- \$150K (Operator)
- \$135K (Downpayment)
- \$185K (New Debt)
- \$120K (Cushion)
- \$250K (Modernizing)
- + \$510K**

REPAYMENT IN 18 - 24 MONTHS

BUSINESS 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



CAPITAL STACK DISCIPLINE

10% DOWN

90% LEVERAGE ON BLENDED NOTE

\$250K IN MARKETING & SYSTEMS

\$150K FOR NEW OPERATOR



TARGET RETURNS

**25% IRR (RISK ADJUSTED)
3-YEAR CAPITAL RETURN**

**YEAR 1: RAISE & RESEARCH
YEAR 2: 6 COMPANIES
YEAR 3: 8 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.*



VALUE-CREATION ENGINE

**BUSINESS OPERATING SYSTEMS
COACHING**

AI AGENTS AND MODELS

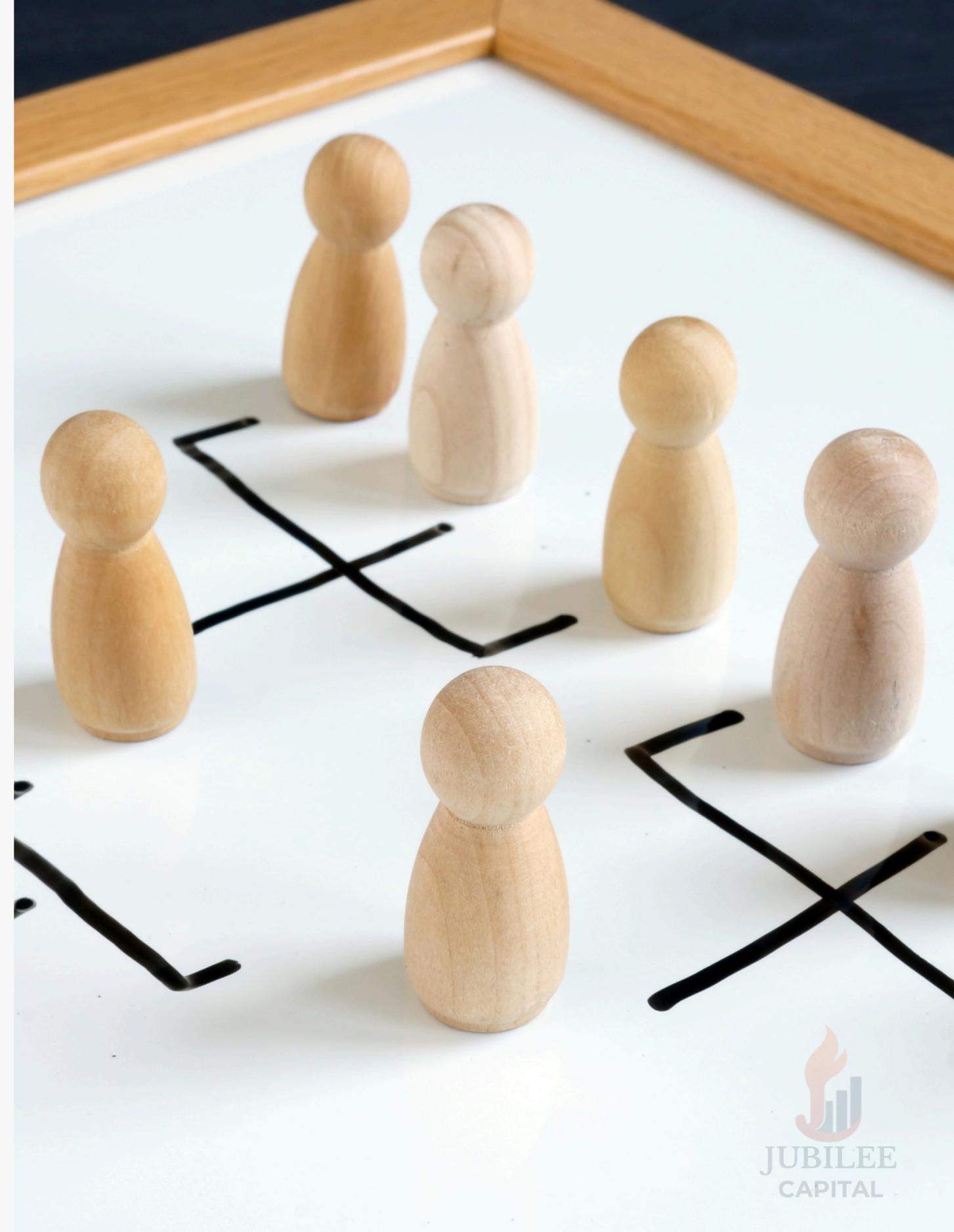
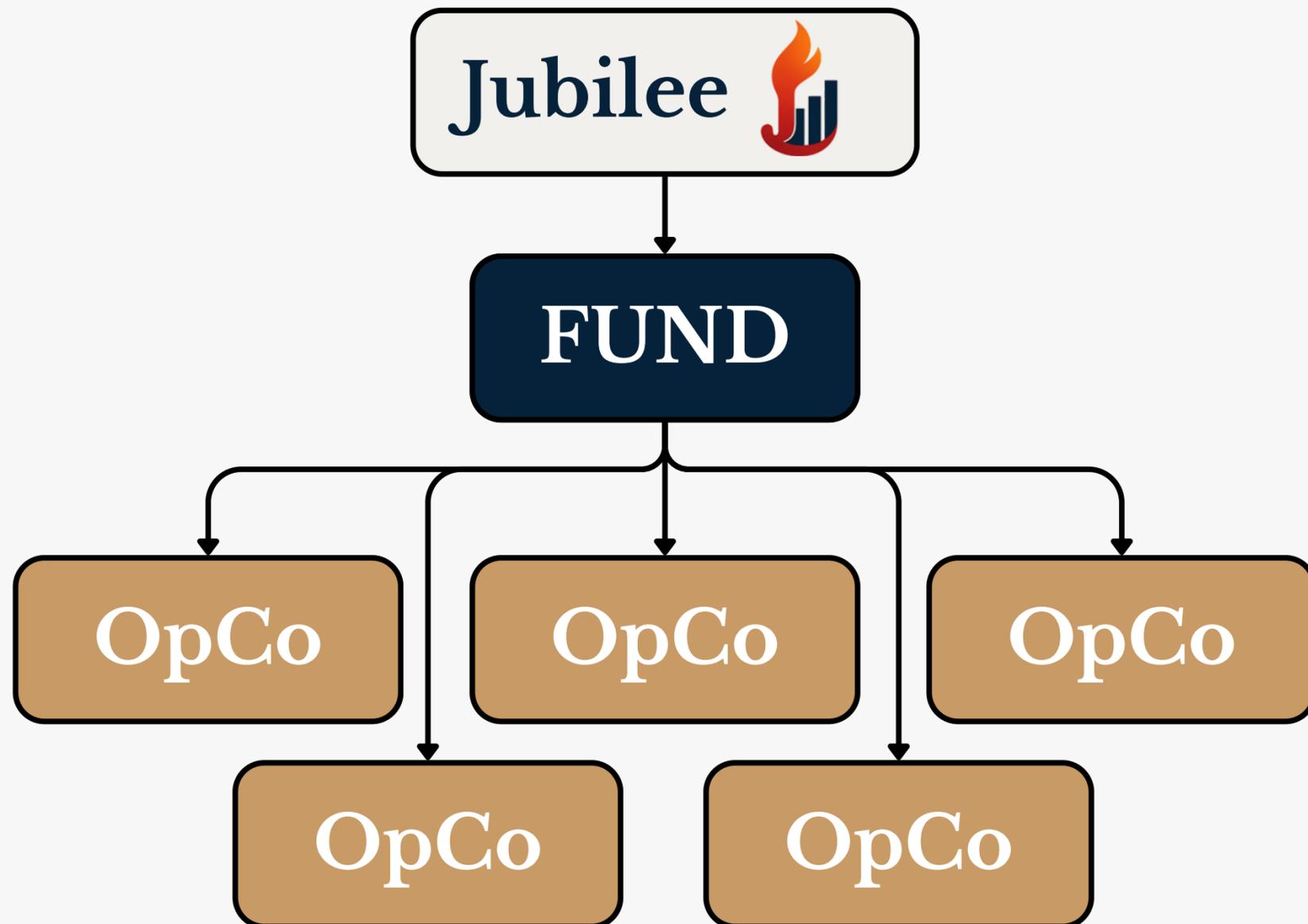
OWNER COMMUNITY

SIDECAR INVESTMENTS



FUND STRUCTURE

FUND I STRUCTURE



FUND I STRUCTURE



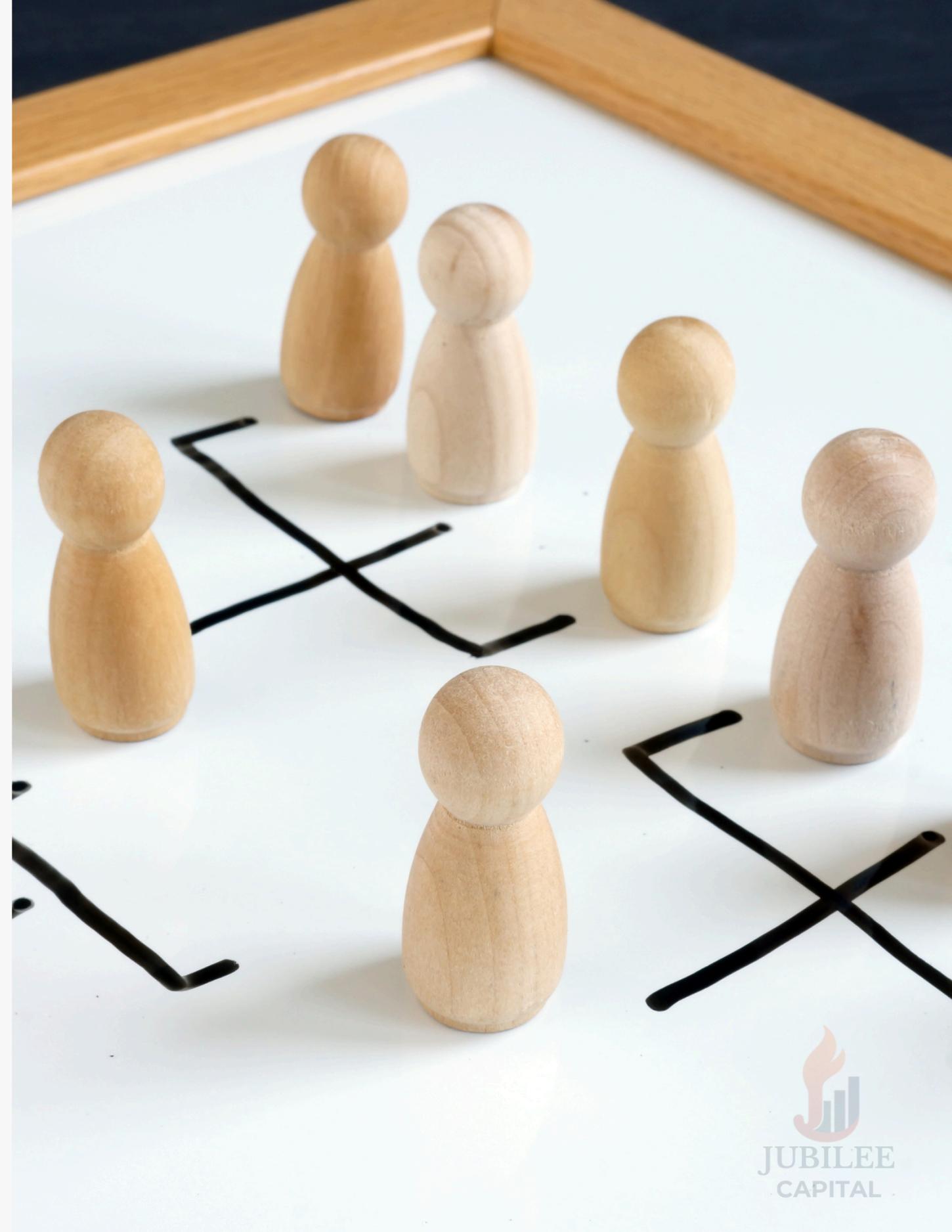
GOVERNANCE
SOURCE DEALS
SOURCE OPERATORS
IMPLEMENT SYSTEMS

FUND

HOLD CAPITAL
DISTRIBUTE RETURNS

OpCo

OPERATORS
RUN THE BUSINESS



FUND I TARGETS

**5% MANAGEMENT FEE
\$10MIL - \$20MIL RAISE**

**FIRST CLOSE: \$5M 90 DAYS
HARD CLOSE: \$10M AUGUST
ROLLING CLOSE: \$20M NOVEMBER**



FUND I OWNERSHIP

GENERAL PARTNERS 10%

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

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

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

**GENERAL LPS
\$6.8M - \$16M \$100K MIN**



MILESTONES: FUND SET UP

EARLY MONEY: \$250K 6-9MO

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

MARKETING ASSETS: \$25K

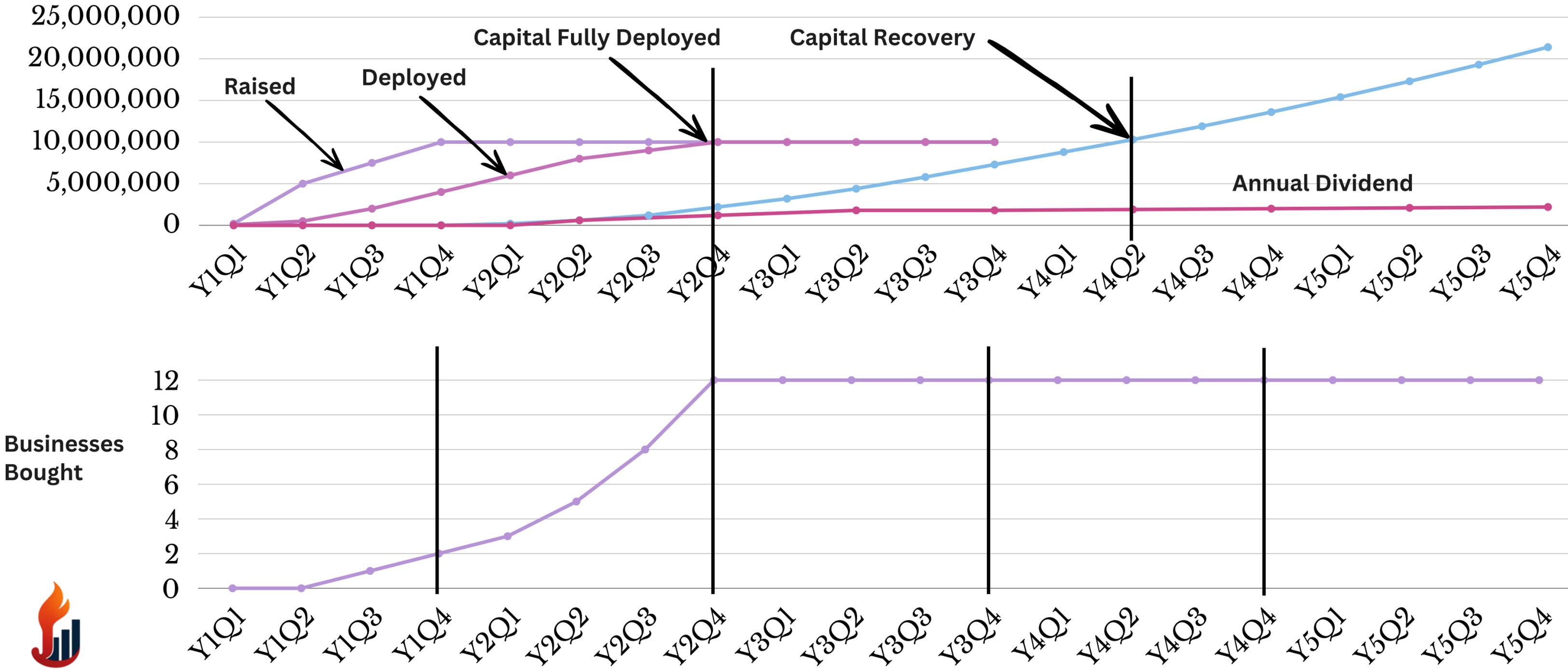
SALARY: \$75K

TRAVEL AND EVENTS: \$75K

RAISE FUND | 3 COMPANIES



FUND SPEND PLAN

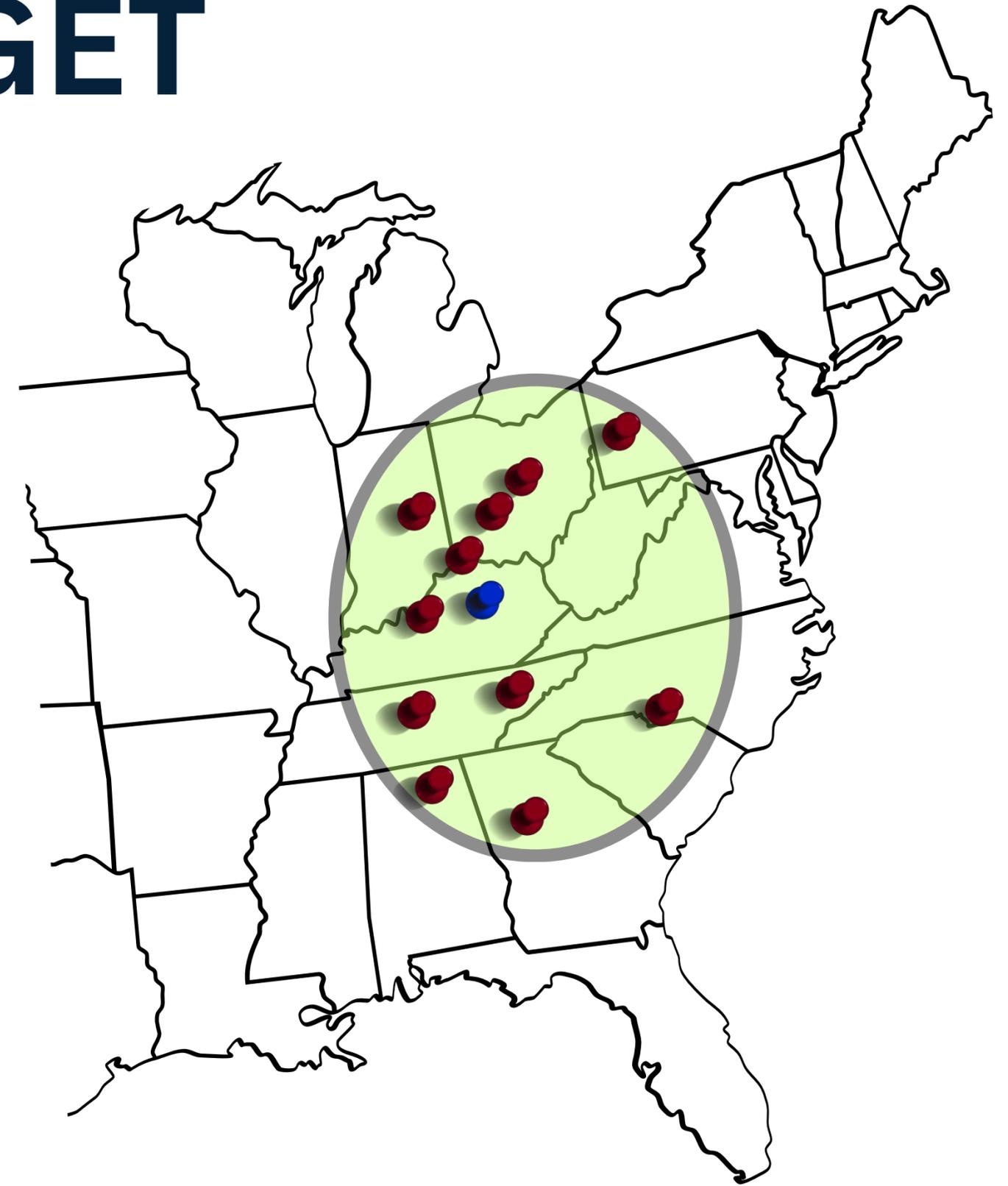


risk-adjusted, theoretical example; not a guarantee of future earnings

GEOGRAPHIC TARGET

5-HR DRIVE FROM LEXINGTON, KY

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



LASTING IMPACT

BIG PICTURE

5 YEARS

TSUNAMI



12-15

NEW OWNERS



25% IRR

ASSETS



THE INVESTMENT

**EARLY MONEY:
\$250K**

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





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