

# FIND ACQUIRE AND MANAGE THE COMPANY OF YOUR DREAMS

Discover our Entrepreneurship Through Acquisition Program



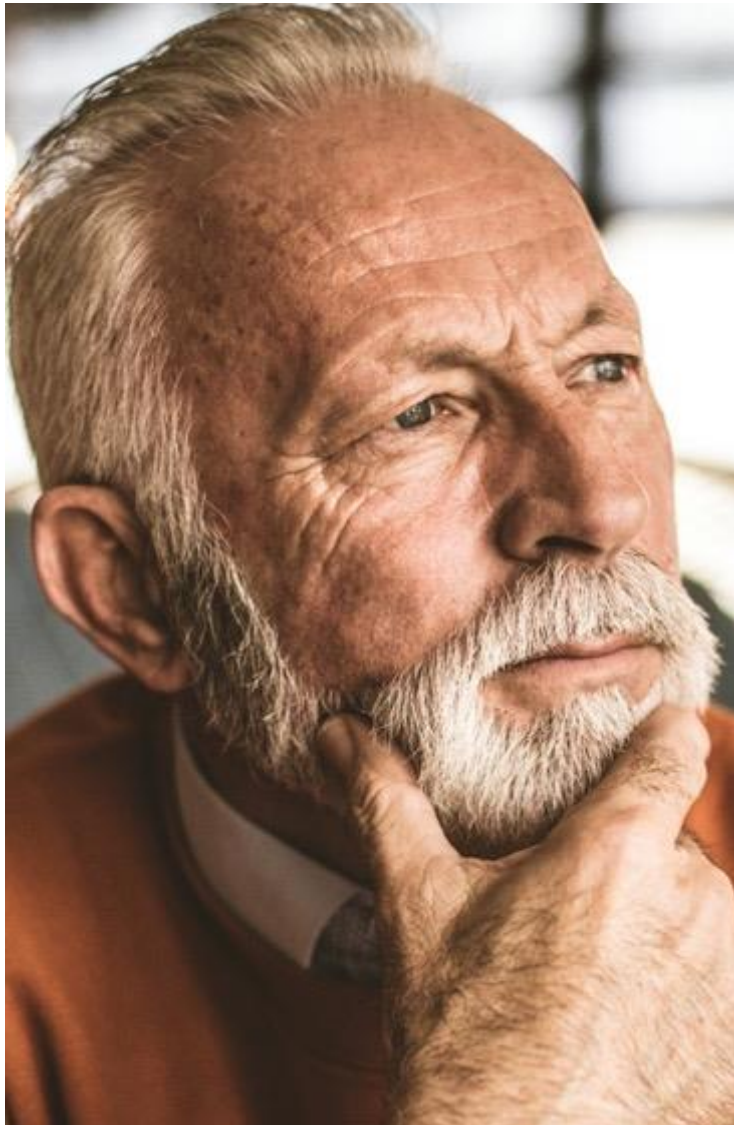


NCA Co-Founders Elena Trukhina and Christian Malek

**“Our mission is to enable entrepreneurship through acquisition.”**

# THE BIGGER CHALLENGE THAT WE SOLVE

## SME SUCCESSION



In the European Union, around **450,000 SMEs** change ownership every year, affecting more than **2 million employees**. Up to 1/3 of these transfers may not be successful, thus endangering around 150,000 enterprises and 600,000 jobs. \*

In the US, 2.4 million Baby boomers business owners are approaching retiring age within the next 10 years. \*\*

70% have no succession plan, but are mentally ready to retire. \*\*\*

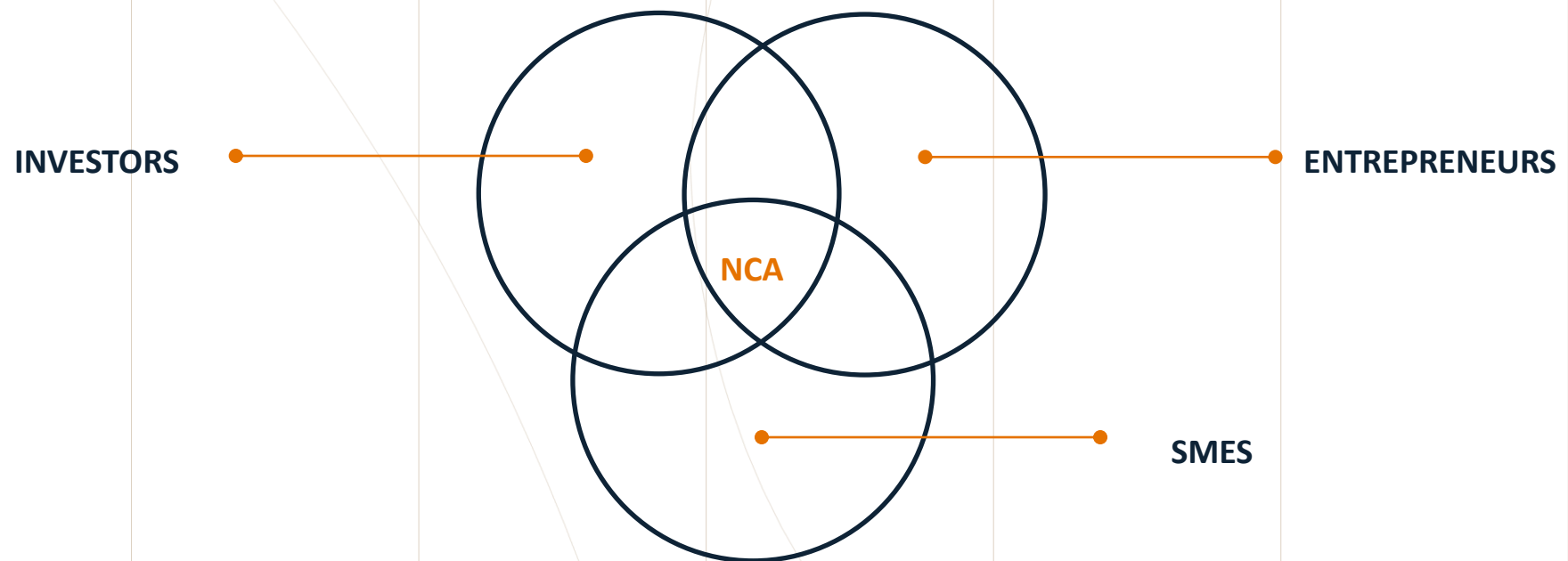
*\*(Source: OECD, SME ministerial conference, Feb. 2018)*

*\*\* US Census Bureau*

*\*\*\*Community Wealth Advisors 2019 Report*

# MAXIMIZING POTENTIAL IN ENTREPRENEURS & SMES

## NCA'S ENTREPRENEURSHIP THROUGH ACQUISITION PROGRAM



# TRADITIONAL SEARCH FUNDS

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- Since 1984, the performance of 526 First time Search Funds has been measured by Stanford University and IESE.
- These Search Funds have generated an average IRR of 35.3% in the US and Canada, and 28.7% internationally.
- The average acquisition price was 7.3 x EBITDA

*\*A Search Fund is not an "LP fund". It is an association of co-investors who sponsor an Entrepreneur/Searcher with the intent to co-invest in the Searcher's Target Company, while maintaining control & full discretion at every step along the way.*

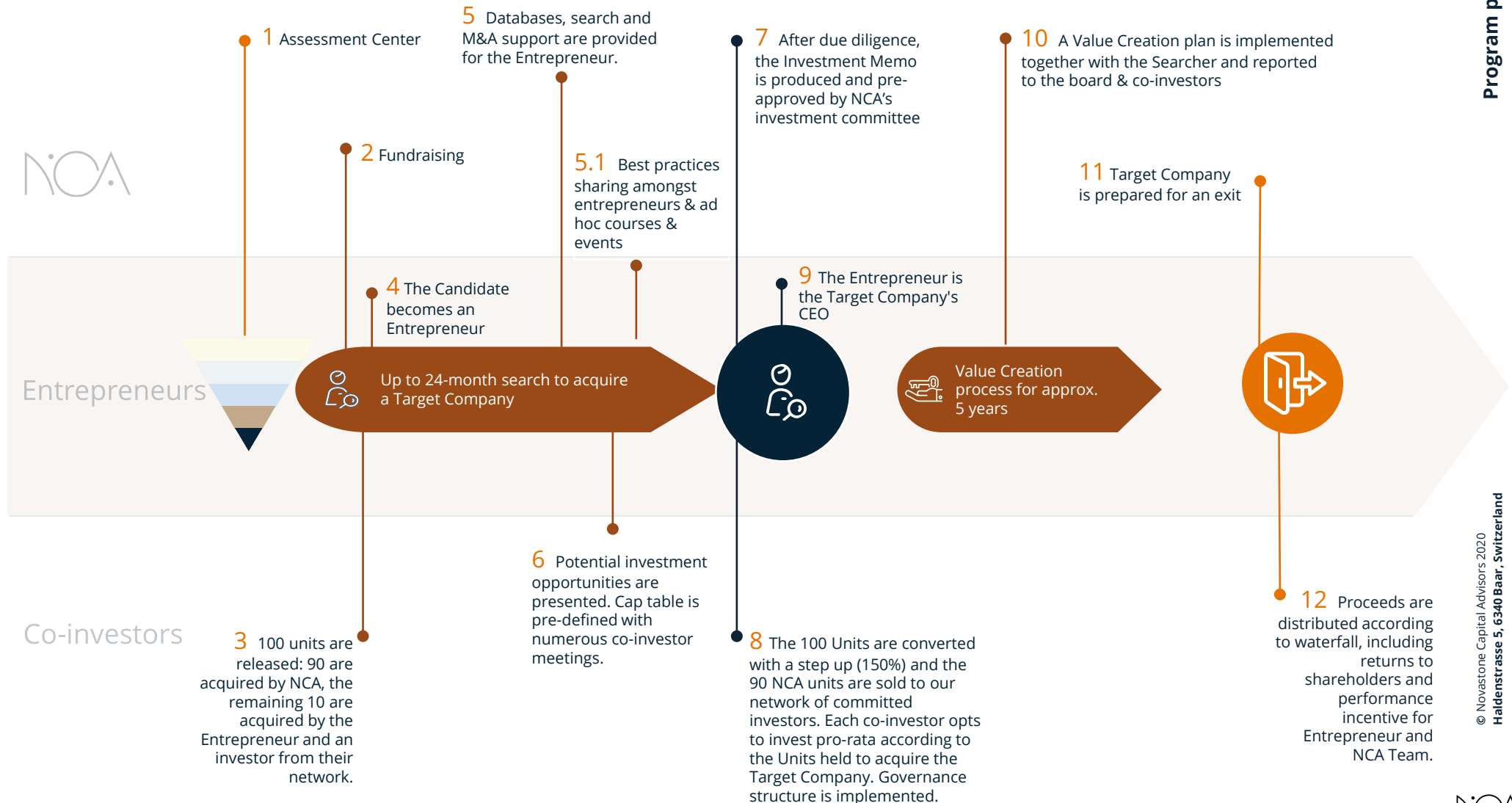
*Source: Stanford Search Fund study 2022, 2020*



# THE INTERTWINED PROGRAM JOURNEY OF NCA, CO-INVESTORS AND ENTREPRENEURS

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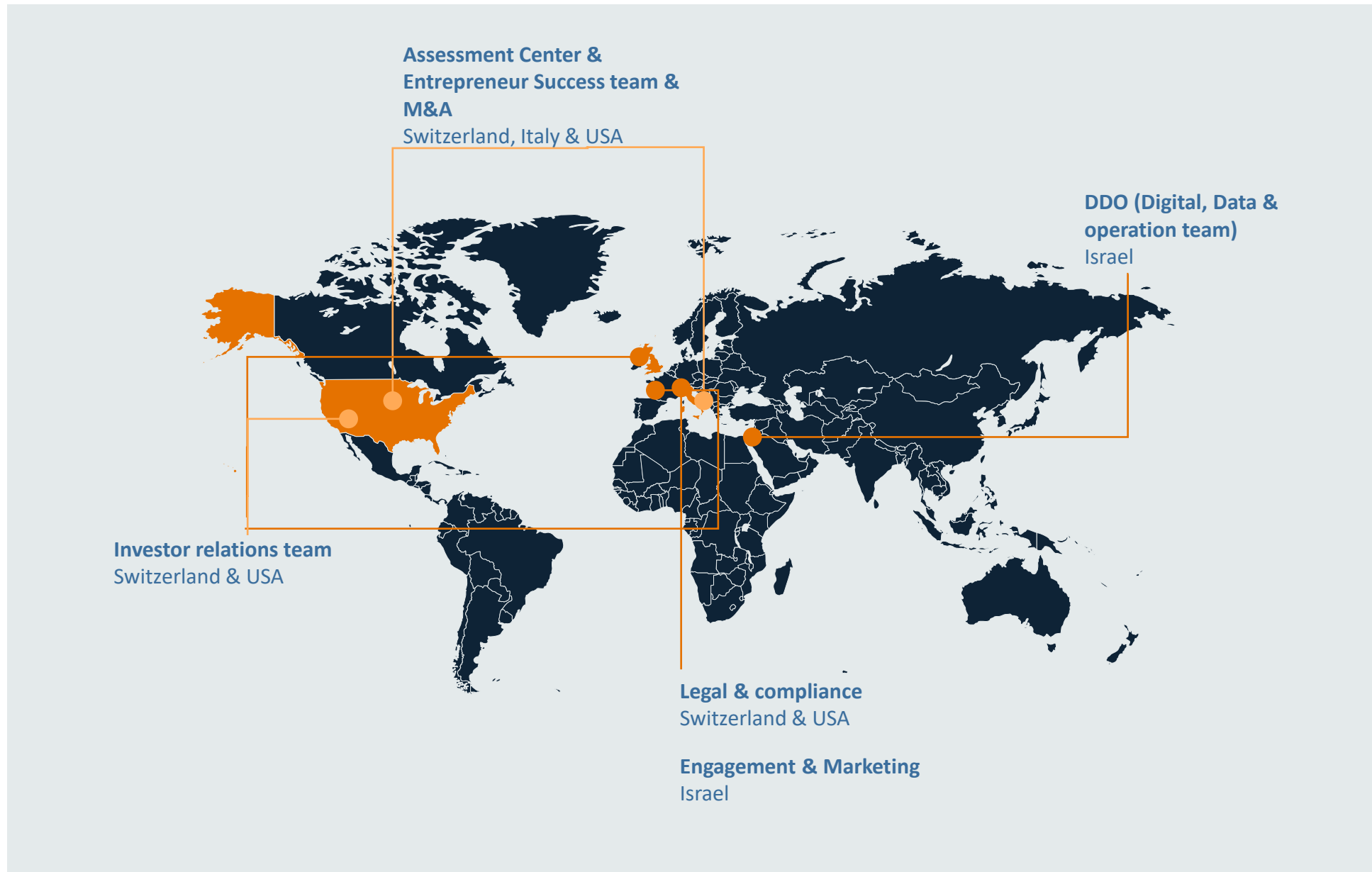
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# A GLOBAL PROGRAM TEAM SUPPORTING OUR SEARCHERS

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# WHAT'S IN IT FOR YOU?

## Searcher Compensation



\$30k - \$200k  
No Bonus

## CEO Compensation



\$120k - \$750k  
Median Bonus \$50K  
Median compensation \$253k

## Equity %



20% equity Typically split into 3 parts:  
1/3 – at purchase  
1/3- KPI based  
1/3 – at exit

## Equity value on Exit



Median equity value  
\$ 6.47m on Exit  
\$ 1.25m per year of operation



# WHAT DOES NCA DELIVER?



Entrepreneurs

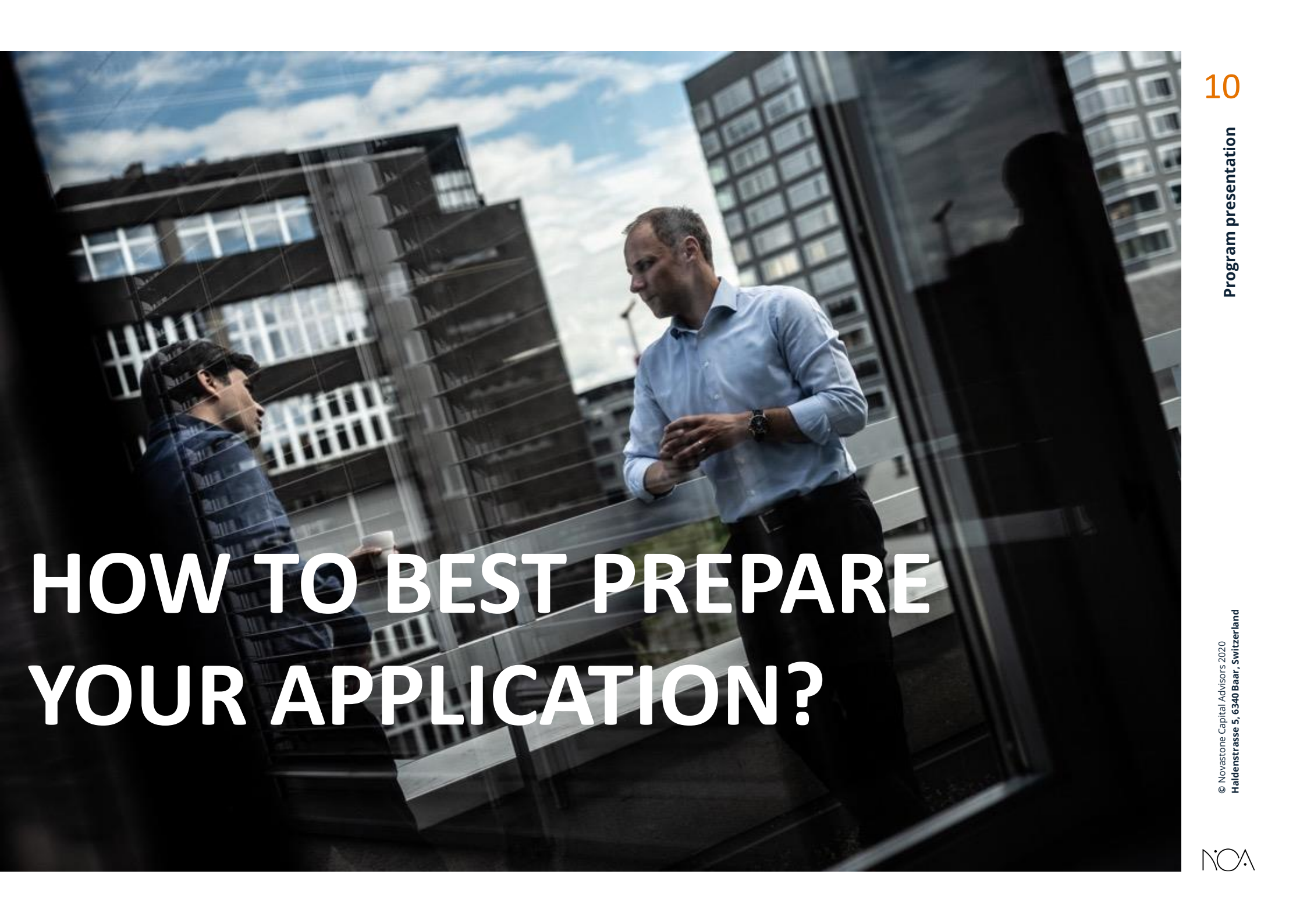
Provides support & infrastructure to maximize success.

Investors

Provides the opportunity to directly access SMEs

SMEs

Ensure business continuity & legacy



# HOW TO BEST PREPARE YOUR APPLICATION?

# WHAT WE ARE LOOKING FOR IN ENTREPRENEURS



- ✓ True aspiration and motivation to become an Entrepreneur through acquisition
- ✓ Academic achievement
- ✓ Between 10 to 20 years of professional experience incl. 5 years of leadership experience with full P&L responsibility
- ✓ Min. of 5 years of living and working in the market of search
- ✓ Vision for a sector or industry which fit our investment criteria
- ✓ Clear track record of strategy & leadership
- ✓ Demonstrated operational excellence

# HOW TO THINK AND DEFINE YOUR INDUSTRY / SECTOR OF FOCUS?

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Based on our investment criteria:

- Less than 8x EBITDA multiples (4-6 x EBITDA)
- Fragmented industry
- Preferably capex light
- Range of EUR 1-5 Mill. EBITDA
- Ability to achieve full control upon acquisition
- ESG compliance
- **No turn around / distressed situation**
- **No scale up or start ups**

> Where does your network and experience have the most relevance?

> Are there 1000+ companies which fit the criteria and where you have both a network and experience in your region of search?



# INTERESTED?

## KEY QUESTIONS TO REFLECT ON

1. What will be the industry and market of your search? Does it fit NCA's investment criteria?
2. What will be your search strategy?
3. How will you create value in this industry?



# OUR SELECTION PROCESS & WHAT TO PREPARE

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1.

## Applications via our career page.

- CV
- Cover letter
- Investment thesis (if available)
- Online questionnaire

2.

## Video profile

- Yourself, your professional career and the industries and sectors you are most passionate about
- Motivation to acquire an SME
- Your motivation to start this EtA journey

3.

## Orientation call

- Read the program description
- Read the blog on sectors & industries
- Be prepared to discuss your geographies, sectors & industries of search

4.

## Open house with co-CEO & head of departments

- Ask questions through the Q&A function

5.

## AC team discussion

- 5-10 slides on your sectors & industry of focus
- How many companies are in your universe of search?
- How will you search?
- How will you create value upon acquisition?

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15 to 17 weeks

6.

## Business case

Same case for every candidates.

- 20-30 hours of preparation for non M&A professionals, 1 week preparation time.
- 30min. Presentation in front of our M&A team. Be ready to answer questions (finance, operations, etc) on the case you present.

7.

## Legal documents Q&A

- Review legal documents & term sheets (under NDA)
- Send your questions to our legal team
- Take part in the live Q&A or review the recordings.

8.

## Co-CEO discussion

- Prepare 10 slides on your investment thesis
- Be ready to discuss your industry, what is happening in the sector, how will you create value, etc.
- How is it relevant to your experience, network & passion?

9.

## Assessment Center

- 15min to present yourself and your thesis
- 40min Q&A with our jury (external advisors, investors & current searchers)

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# WHEN CAN YOU APPLY?

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EUROPE

1

**Program applications are open**

All year

All year

2

**selection process**

December  
February  
May  
July

December  
February  
May  
July

3

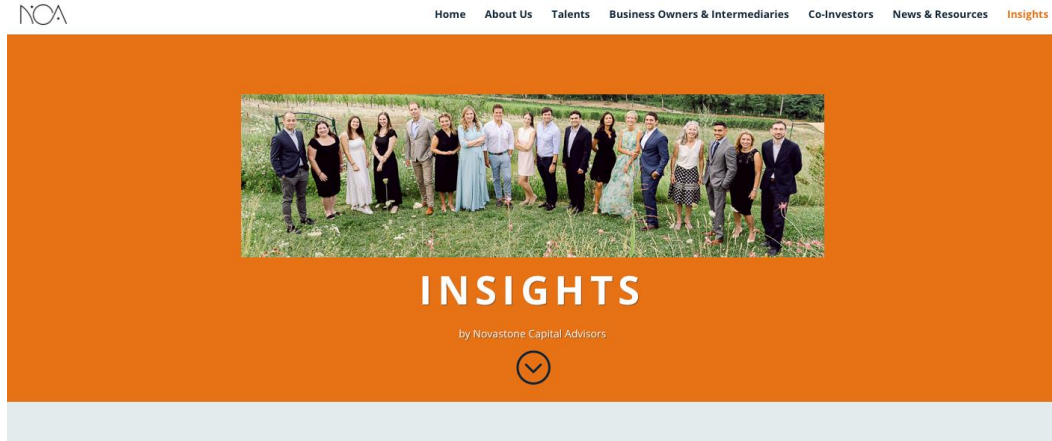
**Assessment Center**

March  
June  
September  
November

March  
June  
September  
November

NORTH  
AMERICA

# LEARN MORE



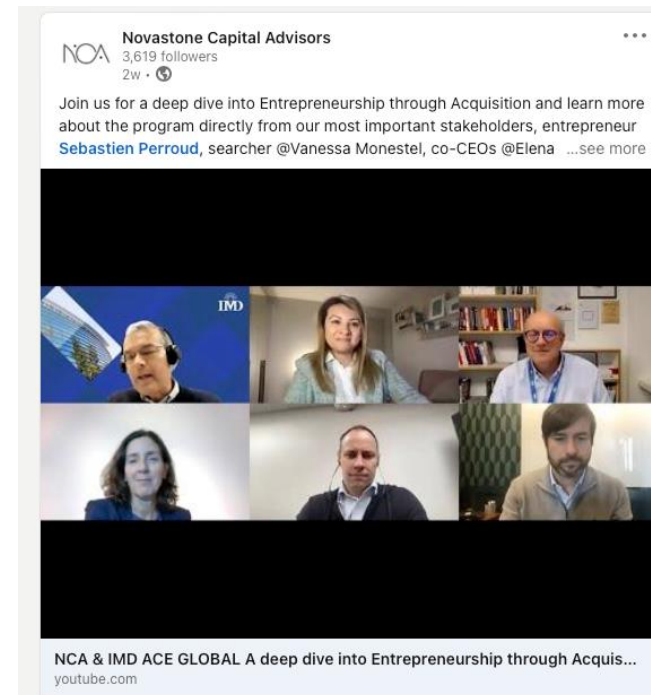
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**Q&A**