

Accelerator Recovery

Quickly assess → Adjust trajectory → Drive growth

FortéOne has been serving the needs of our sponsor and closely held business clients for 22 years.



Over 90% of our business comes from repeat or referral clients.

Our business comes from trusted advisors and business owners who have seen the incredible impact we can make within middle market businesses.

And they are willing to recommend us to their most closely held business relationships.

Oftentimes, over and over again.



**Don't risk
losing
control.**

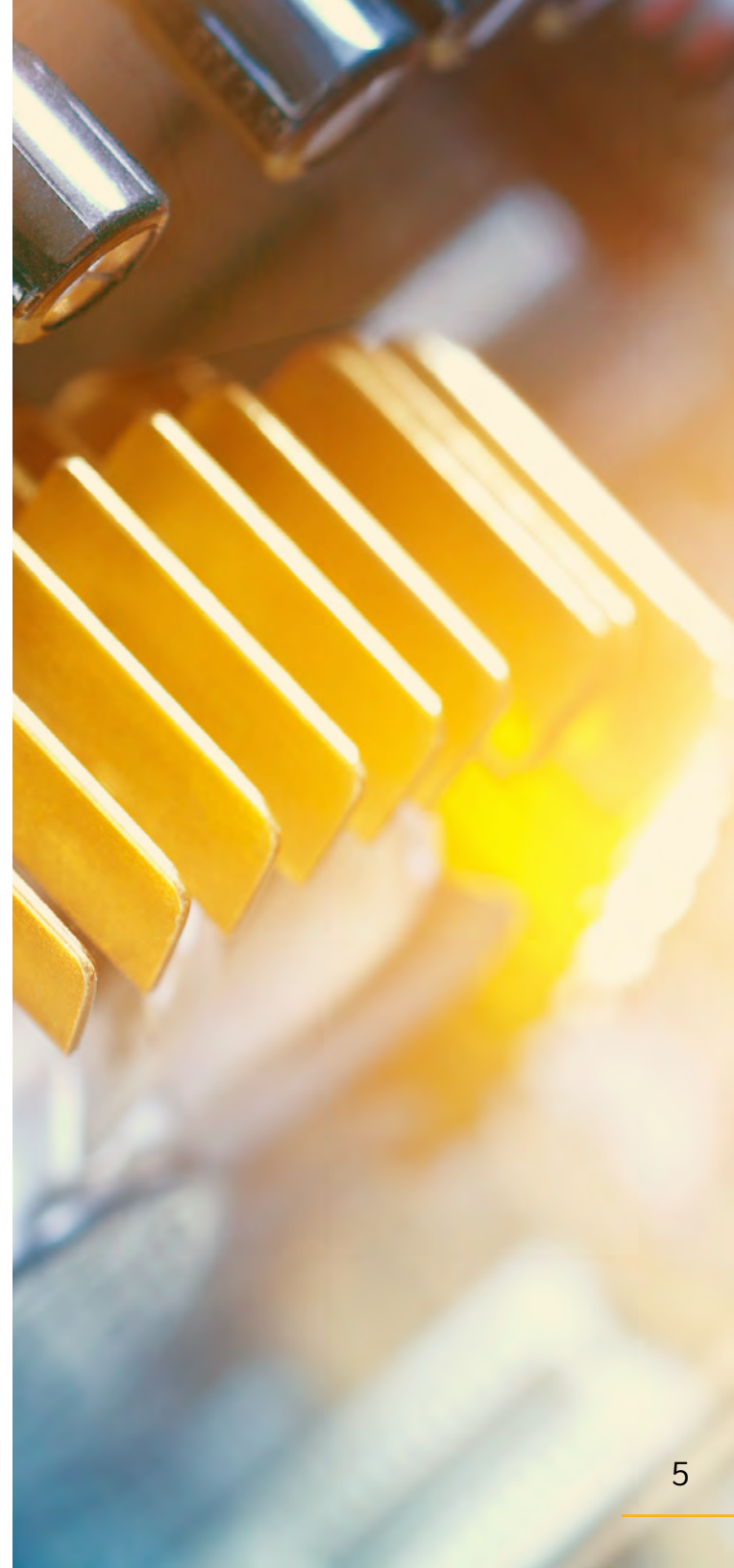
Take action before your lender is forced to step in.

We work with you to restore your business – and keep the banks out of it.


We are middle-market experts with over 20 years of experience recovering companies like yours.

We've been in your shoes and solved for your problems.


We're going to get you back on the path to profitability and growth.




When is it time to call FortéOne?

 Your business is on a downward trajectory

 Performance is slipping

 You're at risk of breaking covenants

 Your lender is showing concern





When is it too late?



You've broken major covenants – the banks have restructured your loan with much higher fees



The company has already entered workout and is no longer in your control



You're in default – the banks are calling the shots and taking possession

We're not traditional consultants.

**We're operating partners —
who all come from industry.**



The Operating Partner Advantage

We have led companies, built middle market businesses, and owned and exited those businesses successfully — many times over.

Organizations tend to embrace our team internally, realizing that our folks have walked in their shoes, faced similar challenges, and solved similar problems.

Our approach is collaborative and non-threatening.

We provide a consistent system to define and track business performance, promoting a balanced approach to recovery and growth.

We're working hand-in-hand — which allows us to deliver greater (and faster) results.

The FortéOne Difference

Immediate Action to change the trajectory of the business, keeping you in control

Don't wait for things to turn sour and for your lender to take over.

Maintain control of your business and get things back on track quickly and effectively with a team of experts by your side.

Experience-Based Focus to ensure the priorities for change are quickly identified

Our experts have an average of 20 years experience recovering middle-market companies like yours – giving you a distinct advantage when rapid results are imperative.

Collaborative and Non-Threatening with high EQ operating partners

We're not coming in to take over or push you out. Our people have been in your shoes. They've experienced your problems.

And they've successfully turned things around.

We work collaboratively with you to save your business.

What makes Accelerator Recovery better?

Improved Lender/ Owner Dialogue to facilitate continuing the relationship

Put your lender at ease by letting them know that you are taking positive action to quickly adjust your trajectory with a reputable team of experts with a proven track record.

A Team Working with You to lead and implement the plan and ensure success

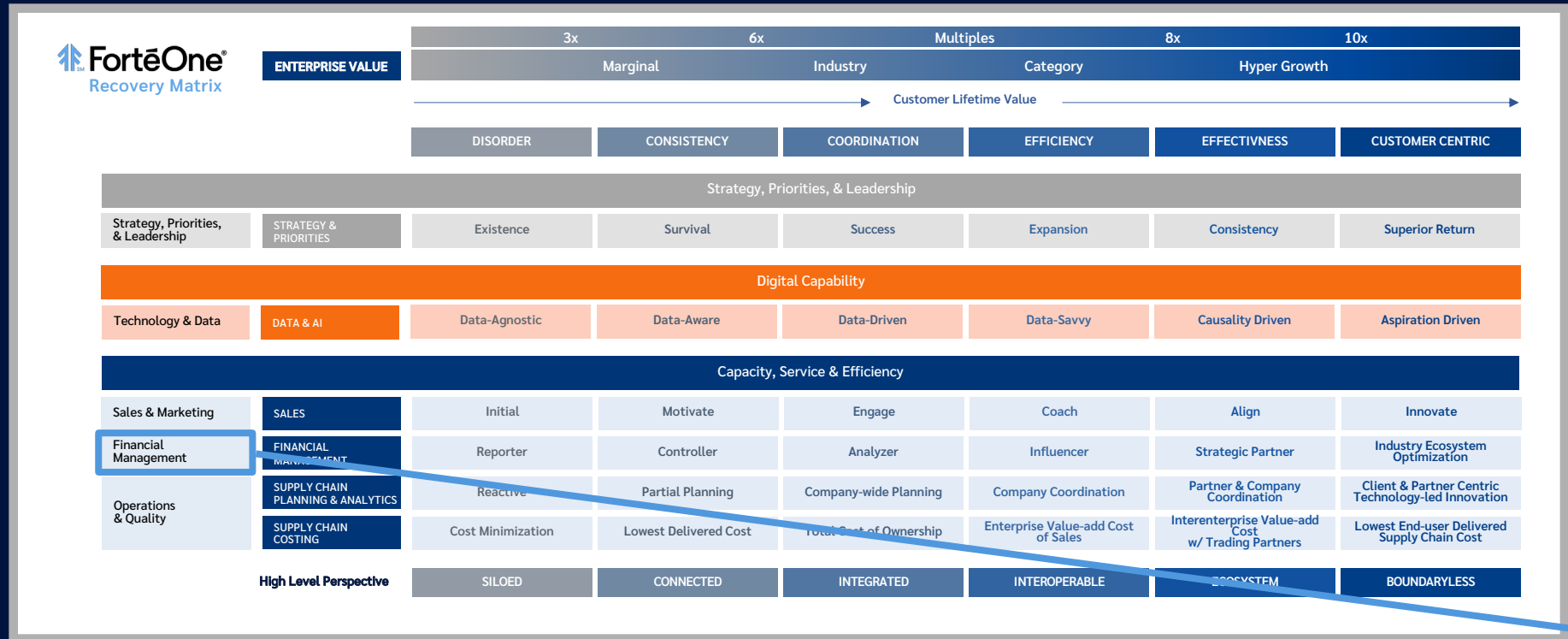
Once we determine the best course of action, our experts will work with you side-by-side to implement your plan.

Long-Term Partnership Option to drive continuous business evolution

Significant value creation happens in a continuum. Don't lose momentum.

Drive further evolution of the business with an optional Accelerator Engagement, which includes a guaranteed EBITDA growth and an average 4:1 ROI.

The Accelerator Recovery Matrix



Narrowed assessment focused on most critical factors for recovery

FortéOne Accelerator Matrix

ENTERPRISE VALUE		3x	6x	Multiples		8x	10x
		Marginal	Industry	Category	Hyper Growth		
Customer Intimacy & Knowledge	CUSTOMER HOPE/FAITH	Status Quo	Interest	Inspiring New Perspective		Inspiration Amplification	
	TRANSFORMING THE CUSTOMER BASE	Just Sell	Understand Your Audience	Define & Build Your Category	Define & Build Your Authority	Define & Build Your Community	
Strategy, Priorities, & Leadership	REMODEL CUSTOMER EXPERIENCE	Disorder	Physical	Functional	Technical	Operational	Experimental
	STRATEGY & PRIORITIES	DISORDER	CONSISTENCY	COORDINATION	EFFICIENCY	EFFECTIVENESS	CUSTOMER CENTRIC
Technology & Data	EXISTENCE	Survival	Success	Expansion	Consistency	Superior Return	
	GROWTH	Creativity	Direction	Delegation	Coordination	Collaboration	Alliances
Sales & Marketing	DEVELOPMENT	Leadership		Autonomy	Control	Red Tape	Internal Innovation
	BUSINESS MODEL	Acquiring First Customers	Adding to Net Revenue	Customer Satisfaction and Retention	Sales Process Effectiveness	Customer Profitability	Customer Lifetime Value
Organizational Design	INTEGRATION & SECURITY	At Risk				Future Proof	
	DATA & AI	Data-Agnostic	Data-Aware	Data-Driven	Data-Savvy	Causality Driven	Aspiration Driven
Financial Management	APPLICATIONS & PLATFORMS	Disparate	Enablement	Productivity	Business Agility	Customer Experience	Business Innovation
	INTEROPERABILITY	Static	Stand-alone	Cross-functional	Connected	Integrated	Interoperability
Operations & Quality	SALES	Initial	Motivate	Engage	Coach	Align	Innovate
	MARKETING	Initial	Managed	Defined	Quantified	Optimized	Accelerated
Quality	SALES & OPERATIONS PLANNING	Reacting	Anticipating	Collaborating	Orchestrating	Balancing	Balanced
	CULTURE	High Energy	Coasting	Building	Maturing	Changing	Community of Practice
High Level Perspective	ORGANIZATIONAL DEVELOPMENT	Reporter	Sourcing Skills	Delegation	Regional Responsibility	Regional & Product Responsibility	Leadership
	FINANCIAL MANAGEMENT	Reporter	Controller	Analyst	Influencer	Strategic Partner	Industry Ecosystem Optimization
High Level Perspective	SUPPLY CHAIN PLANNING & ANALYTICS	Reactive	Partial Planning	Company-wide Planning	Company Coordination	Partner & Company Coordination	Client & Partner-Centric Technology-led Innovation
	SUPPLY CHAIN COSTING	Cost Minimization	Lowest Delivered Cost	Total Cost of Ownership	Enterprise Value-add Cost of Sales	Interenterprise Value-add Cost w/ Trading Partners	Lowest End-user Delivered Supply Chain Cost
High Level Perspective	DISTRIBUTION & SERVICES	Reacting	Anticipating	Integrating	Collaborating	Orchestrating	Capitalizing
	QUALITY	Basic	Stronger	Embedded	Standard-setting	Industry Leading	Category Leadership
High Level Perspective		Siloed	Connected	Integrated	Interoperable	Ecosystem	Boundaryless

The full Accelerator Matrix for continued growth and evolution after recovery

Move quickly with confidence

The Recovery Accelerator Matrix narrows the assessment focus to the factors most critical to helping the business recover. It gives an objective appraisal of the current-state challenges and allows us to move quickly to add value.

Accelerator Matrix		DISORDER	CONSISTENCY	COORDINATION	EFFICIENCY	EFFECTIVENESS	CUSTOMER CENTRIC
Financial Management	Reporter	Managing costs. Books may be kept on a cash basis. Unprofitable products are common. Occasional forecasts. No real budget.	Controller	Analyst	Influencer	Strategic Partner	Industry Ecosystem Optimization
			Focus on Controls/Risks. Unprofitable products are less common. Books are accurate and consistent. Cost centers are created. Rolling forecast.	Budgets and forecasting are routine. Financial modeling has begun. Stakeholder management. Payback of capital expenditures and initiatives is evaluated. Process improvement focus takes hold.	Those who spend the money participate in budgeting, forecasting and analysis. Multiple levels are involved in business decisions— Benchmarking and forward-looking. Customer Lifetime Value drives planning.	Finance uses Business Modelling to connect strategy with execution. Deep understanding of business processes and how they tie to the business model. Monitors and challenges processes' effectiveness	Real-time information on open dashboards throughout the "Ecosystem." Customer Equity, Customer Lifetime Value, and Customer Experience information are reported alongside financial information.

Example of the detail in the Recovery Report

Avoid Workout

Take action now and bring in the expertise of FortéOne's operating partners to:

Retain full control of your business

We work WITH you to get your business back on track

Avoid covenant default(s) and workout status

Instill lender confidence. Show your lenders you're bringing in a team of proven experts to right the ship.

Pivot to accelerated growth and value creation

We do more than just stabilize the situation. We put you on the path to continued success.

Enjoy your business again

Keep the lenders off your back. Fix the situation and get back to concentrating on the parts of your business you love.

Working with Us: Typical Timeline

WEEKS 1–2

Data Request, Groundwork, Kick-off & On-site Analysis Work

FortéOne will do the following:

- Request and receive relevant company data; begin Interviews
- Deep dive on all financial issues, including cash flow, information flows, reporting, near-term opportunities, and immediate changes
- High-level examination of customers, pricing, and changes to increase margins
- Organizational assessment – including all key managers – to identify weaknesses and near-term solution
- Quickly conduct on-site interviews with all leadership, operations, logistics, and financial personnel, as well as other key personnel (where appropriate/desired). May also meet with key customers.
- Conduct walk-throughs of the Target facility and observe operating processes and personnel
- Assess critical processes and improvement opportunities, including (as appropriate) manufacturing and SIOP processes
- Assess essential sales and go-to-market processes
- Quickly identify how the existing management team and each function/department can support/participate in the recovery plan

WEEK 3

Recommendation Development, Recommendations & Implementation Plan Presentation

The FortéOne team will:

- Identify immediate changes needed to improve financial conditions; determine the priority and sequencing of changes
- Prepare a detailed recovery plan with implementation timeline and projected financial impact
- Review the Recovery Plan with owners/Target executive leadership (and other stakeholders as required), including our estimate of how recommendations will improve EBITDA
- Agree with stakeholders on the go-forward plan and launch the Recovery process

After the assessment, the real work begins:

- ▶ Working with you and your team side-by-side at the company to implement the plan
- ▶ Building a foundation for professionalizing the business
- ▶ Establishing the culture of change to support recovery and growth

Recovery plan & execution

Recovery Strategy & Reporting

- Step-by-step recovery action plan preparation and implementation to deliver the greatest impact on earnings and enterprise value
- Preparation of monthly board/lender review packet, including strategy review

Financial Priorities & Actions

- Accurate 13-week cash projection
- Bring all financial management practices and systems up to standards to ensure the leaders have situational awareness
- Define and implement finance KPI's and dashboard

Pricing & Client Priorities

- Pricing review with rapid action as required
- 80/20 analysis and implementation
- Define and implement sales and marketing KPI's and dashboard
- Use data to unlock insights on how to accelerate profitable growth

Organizational Actions

- Identify the most significant organizational challenges/obstacles to recovery achievement; recommend change as needed

Operations & Supply Chain Actions

- Rapid SIOP review with change as needed
- Define and implement operations KPI's and dashboard

Technology, Data Support, & Security

- Develop and implement technology plan to support recovery
- Define and execute a plan to assure data security

All significant
value creation
happens in a
continuum.

What comes after the recovery?

Drive further evolution of the business with an Accelerator Engagement for the entirety of your ownership period.

- We provide continued business guidance to drive revenue, margin, and multiple expansion.
- We continue to identify and implement unique category design and leadership opportunities, which significantly accelerate enterprise value.
- Our Accelerator Matrix enables business leaders to predict and drive the required changes to evolve all critical areas of the business
- We leverage our team of operating partners and resources at each step of the business evolution to ensure the business and its leaders are properly supported and have the confidence to drive continued change.

Our resources and strategies evolve as the business evolves – accelerating customer lifetime value and category leadership.

And dramatically improving the businesses value upon exit.



recovery.forteone.com

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