



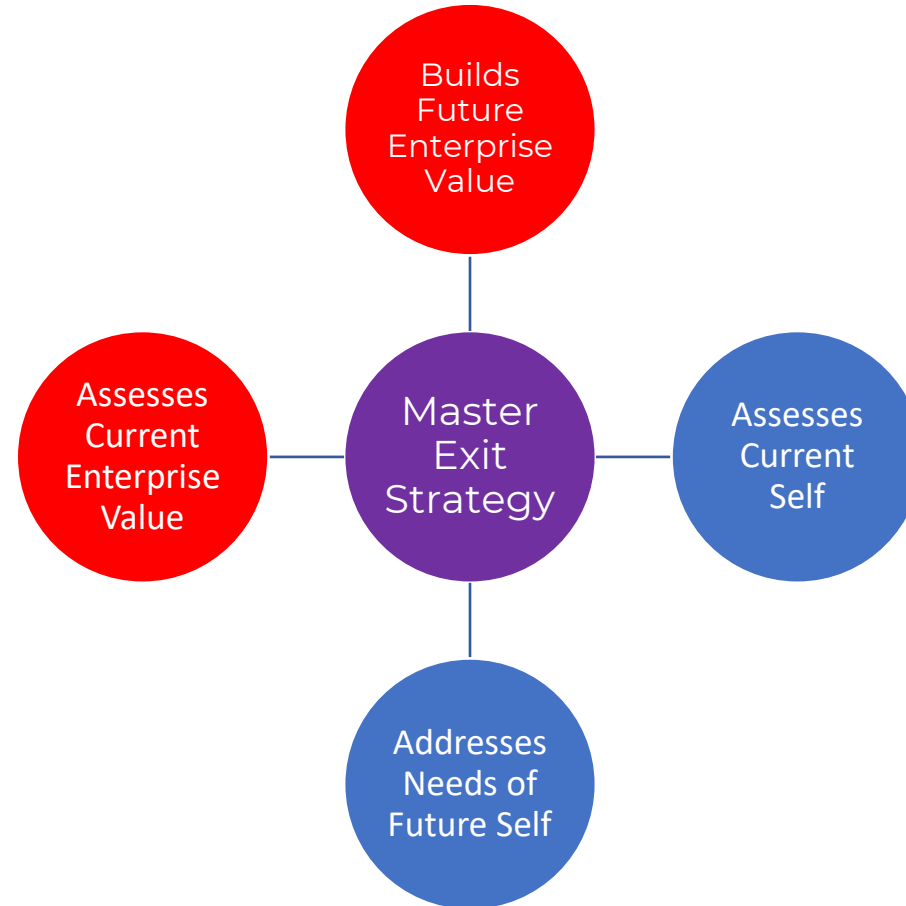
Everyone Should Have a Master Exit Strategy

Excellence in Laundry Conference

May 7, 2026

Featuring: Mark Herbick, CEO of Pursant

What is a Master Exit Strategy?





2007 Mt. Elbrus 18,510 ft.
Highest Peak in Europe



Mark Herbick - Background

Chapter 1

- Started first business at 19 years old (Fitness Center)
- Acquired other fitness centers
- Exited at 25 years old
- No Business or Personal Exit Strategy

Chapter 2

- Bought first facility maintenance company at 27 years old
- Multiple add-on acquisitions, scaling to a national company
- Sold company in 2002 and 2007 (42)
- Flawed Exit Strategy



Chapter 3

Founded Pursant in 2010:

Investment Banking | Financial Consulting | Transaction Services

- Over a dozen diverse professionals working in numerous industries
- Work on over 50 transactions a year in some capacity, within the \$10M - \$300M price range



 Pursant

I HAVE LIVED AND SEEN THE RESULTS OF NOT HAVING AN EXIT STRATEGY, HUNDREDS OF TIMES

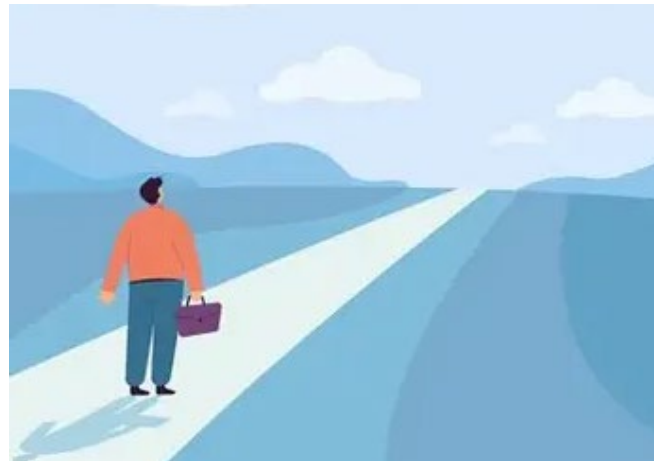
Why Have an Exit Strategy?

Exiting is Inevitable

The Top reasons people Exit are:

1. Retirement
2. Burnout
3. Pursue New Opportunities
4. Health Issues

*** All these often come with little or no warning!**



Why Have an Exit Strategy?

Inevitability - The #1, #2, & #3 reasons people exit are **Retirement, Burnout and New Opportunities**. Unless you are going to live forever, there are no exceptions. Everyone needs to Exit.

| Deal Size | #1 Reason | #2 Reason | #3 Reason |
|---------------|------------|-----------------|-----------------|
| < \$500K | Retirement | Burnout | Health |
| \$500K - \$1M | Retirement | Burnout | Health |
| \$1M - \$2M | Retirement | Burnout | New Opportunity |
| \$2M - \$5M | Retirement | New Opportunity | Burnout |
| \$5M - \$50M | Retirement | New Opportunity | Burnout |

Source: Pepperdine Private Capital Markets Report

Why Have an Exit Strategy?

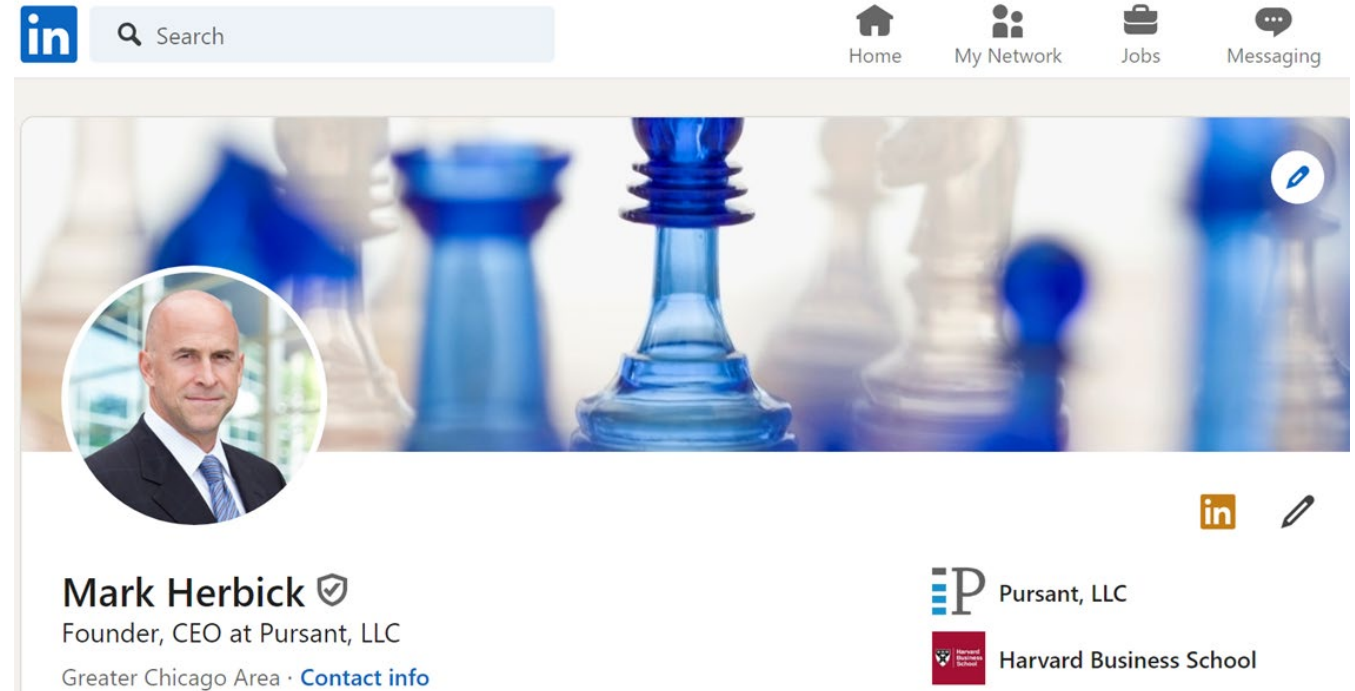
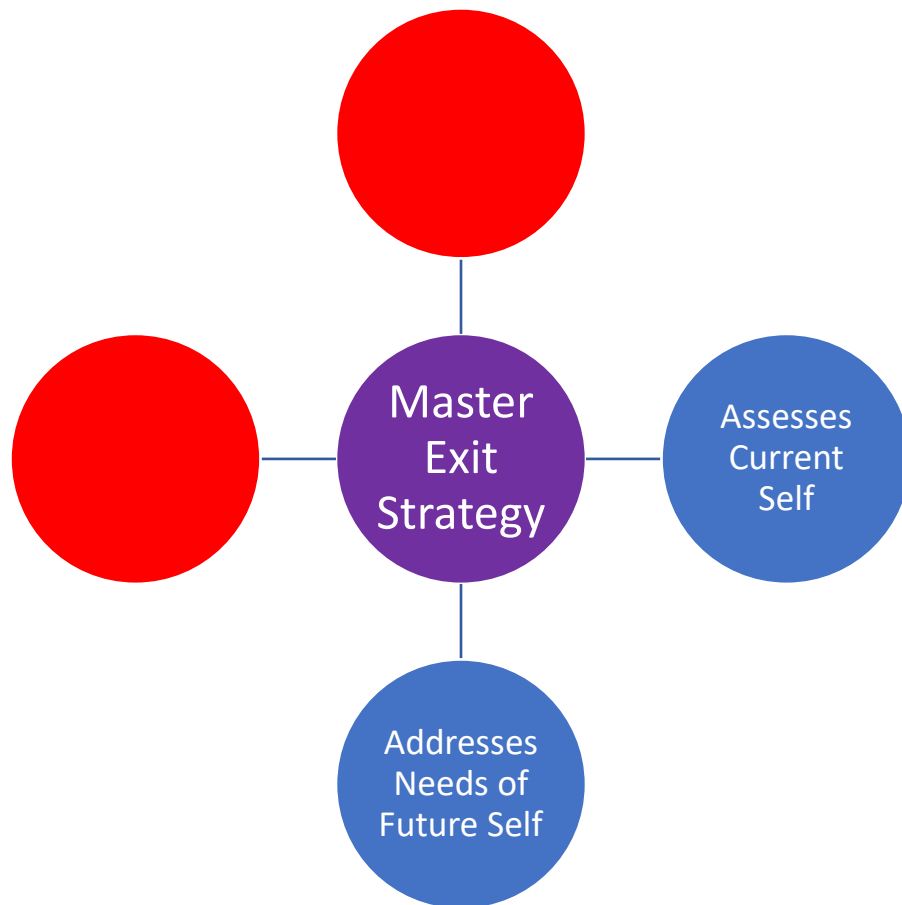
Studies show that ~**60% of business owners have no exit strategy.**

I have assisted over 200 business owners in preparing for an exit.

Here is what I have found:

- ✓ **More than 2/3 had no exit strategy**
- ✓ **Most exit strategies that did exist were very incomplete**
- ✓ **Most that had no exit strategy struggled after their exit**
- ✓ **Most that said they were retiring, pursued another business venture**
- ✓ **Most business ventures have not succeeded as they had hoped**
- ✓ **Many busted deals are rooted in the absence of an exit strategy**

The Personal Half of the Exit Strategy?



Identity – As leaders, our identity is inextricably linked to our company. You cannot strip your company out of your life and expect the rest to remain intact.

What Happens If I Don't Plan?

The next chapter can feel like the last chapter.

- **Lots of wandering around** – Protracted issues of loss, boredom, anxiety and Entrepreneurial depression:
 - Mark Cuban \$5.7B (Broadcast.com)
 - Brian Acton \$19B (WhatsApp)
 - Tony Hsieh \$1.2B (Zappos)
- **Premature Exit** - Many who said they were ready to “retire,” were wrong. They were actually burned out, tried to get back in the game and found that succeeding again is very difficult.
- **Financial struggles** – Failure to adjust lifestyle to being on a fixed income



What Happens If I Don't Plan?

Run the risk of a busted deal – Selling is very emotional. Part of that emotion is rooted in fear of the unknown next chapter.



When Should I Do It?

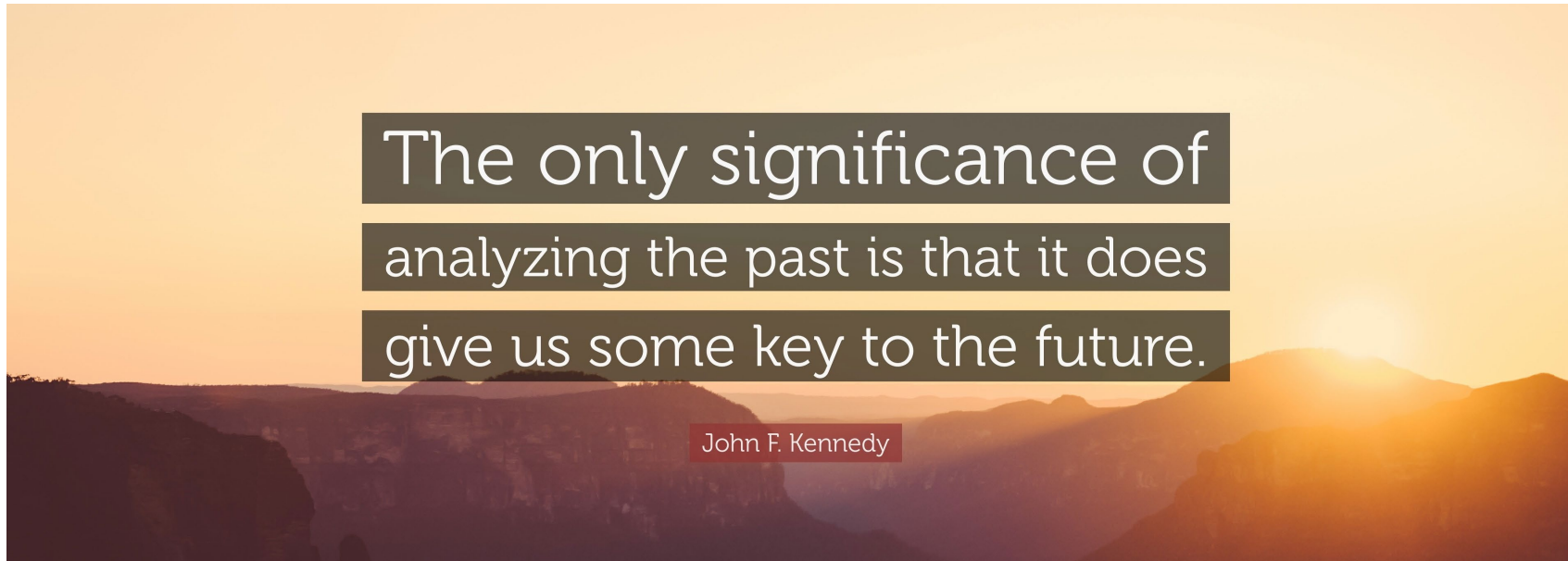
Now – Most business owners don't get adequate warning of Exit timing.



How Should I Get Started?

Analyze the current chapter to get clarity on:

1. Areas of fulfillment
2. Areas of fatigue
3. Timing to begin next chapter



Analyzing The Current Chapter

Your Current Routine



Analyzing The Current Chapter

Your Health and Personal Life

1. Current Age and life expectancy
2. Biological Age
 - [Frailty Index Shows Tipping Point at Age 75](#)
 - [Human aging accelerates dramatically at age 44 and 60 | Live Science](#)
 - Mental Health – Cognitive ability
 - [Decline not linear - 44, 67, 90](#)
 - Physical Health – Get a full evaluation (Mayo, Fountain Life, Etc.)
3. Current hobbies and interests
4. Social circle:
 - Work friends vs. non-work friends
 - Professional Organizations



Analyzing The Current Chapter

Your Family Life

1. Age of significant other and your plans for life with them.
2. Children:
Ages, aspirations for joining the family business, *should* they join the family business. ([40% make it to G2, 13% make it to G3](#))
3. Current “dependents”:
Those counting on you for some level of support (children, parents, other significant relationships, charities, your foundation)



Analyzing The Current Chapter

Your Business Life

1. Your current place of work (office or home)
2. The cocktail party pitch (identity)
3. State of mind: frustrated, bored, grinding, energized
4. Competency
5. Situation for your business partners



Analyzing The Current Chapter

Your Financial Situation

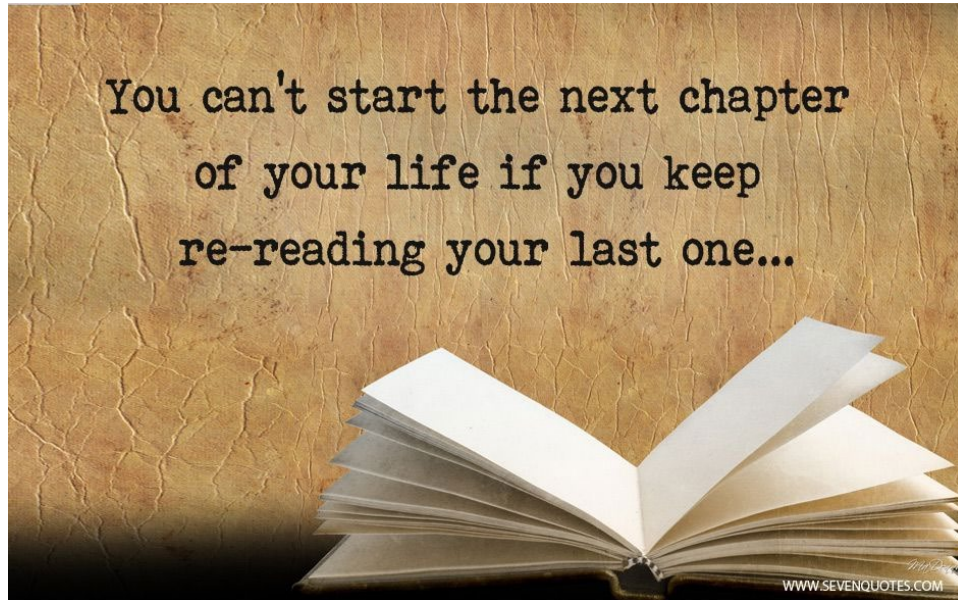
1. Do a complete financial review
2. Analyze current lifestyle/financial needs
(practice your new lifestyle)
3. Generational wealth plan



Creating the Personal Exit Strategy

Write the next chapter, not the last chapter.

The next chapter must address these needs as they used to be provided by your business:



You can't start the next chapter
of your life if you keep
re-reading your last one...

1. **Sense of Accomplishment**
2. **Adventure**
3. **Learning & Development**
4. **Relationships**
5. **A Feeling of Mattering**

Mattering Index

Purpose:

This tool helps people assess how much they feel seen, valued, and impactful.

Instructions:

Rate each statement from 1–5 (1 = Strongly Disagree, 5 = Strongly Agree).

1. Visibility (Do I feel seen?)

- a. People notice when I arrive 1 2 3 4 5
- b. My presence is acknowledged in meaningful ways 1 2 3 4 5
- c. I feel visible in this environment 1 2 3 4 5

2. Significance (Do I feel important?)

- a. What happens to me matters to others 1 2 3 4 5
- b. My opinions are taken seriously 1 2 3 4 5
- c. I feel like I have a voice 1 2 3 4 5

3. Dependence (Am I needed?)

- a. People rely on me for something important 1 2 3 4 5
- b. If I were gone, it would make a difference 1 2 3 4 5
- c. I contribute in ways that matter 1 2 3 4 5

4. Recognition (Am I appreciated?)

- a. My efforts are recognized 1 2 3 4 5
- b. I feel valued for what I bring 1 2 3 4 5
- c. I receive genuine appreciation 1 2 3 4 5

5. Connection (Do people care about me?)

- a. People care about my success 1 2 3 4 5
- b. People check in when something seems off with me 1 2 3 4 5
- c. I feel emotionally supported 1 2 3 4 5

Scoring & Interpretation:

Add each section score (3–15 per section). Total possible: 75.

- 60–75: Strong sense of mattering
- 45–59: Solid, with some gaps
- 30–44: Inconsistent experience
- Below 30: Low mattering (disengagement risk)

Reflection Questions:

1. Which section scored lowest and why?
2. Where do I feel most valued?
3. What would increase my lowest score by 1 point?
4. What change in my life could meaningfully impact this?

Creating the Personal Exit Strategy

By 2029, I will have written and begun living my next chapter. My business no longer defines my identity.

Sense of accomplishment: I apply my experience as an advisor and investor to help others build and grow enterprise value, staying actively engaged in meaningful work that leverages my experience and creates tangible impact.

Adventure: I travel with my friends and family, checking off bucket-list experiences, prioritizing shared moments and experiences that create lasting memories.

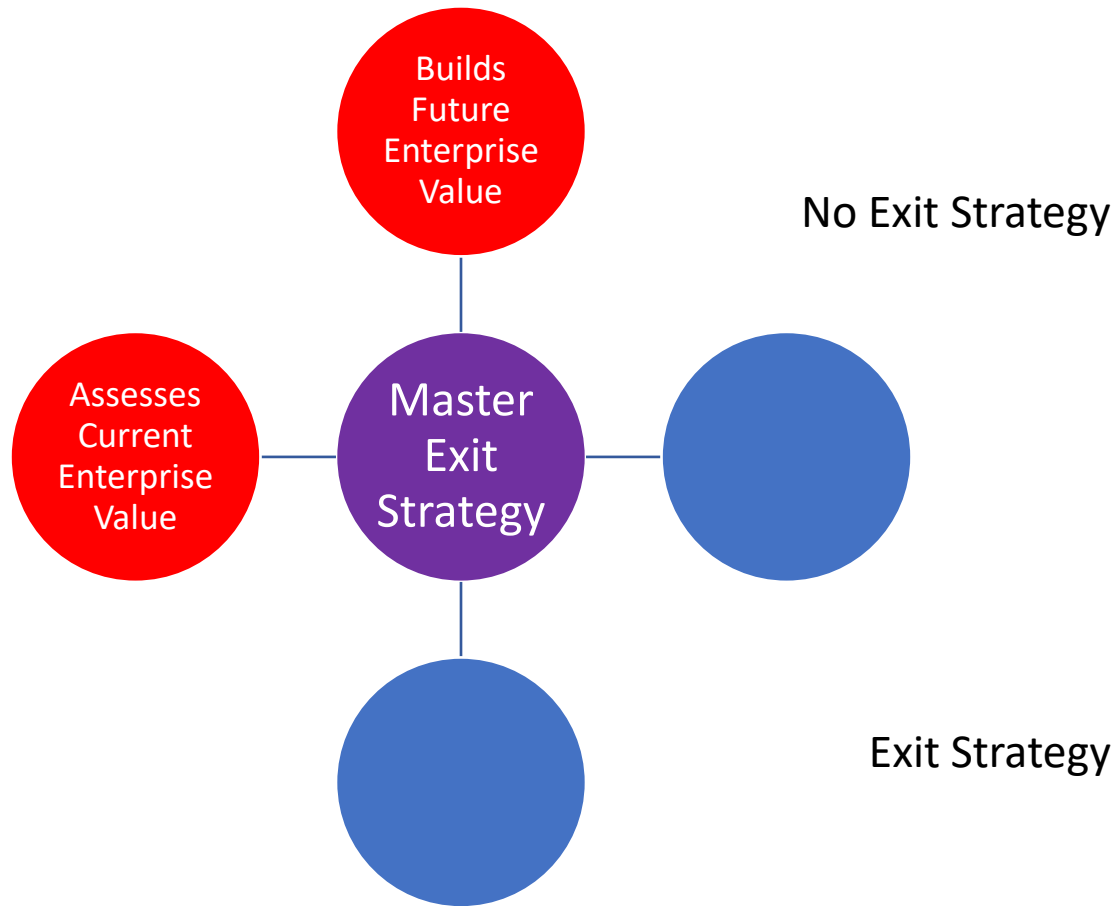
Learning and development: I invest time in personal growth through painting, studying U.S. history, and staying engaged with evolving technology and emerging markets, keeping my mind challenged, curious, and continuously evolving.

Meaningful relationships: I prioritize time with my spouse, adult children and new social circles, deepening connections and shared experiences that enrich my life and strengthen my sense of belonging.

A feeling that I matter: I have found new circles where I am engaged, relevant, and making a meaningful impact, contributing in ways that are valued and recognized by those around me.

I live with financial peace of mind, spending no more than 5% annually, with the freedom to fully enjoy what comes next.

The Business Half of the Exit Strategy?



The Business Exit Strategy

Maximize Enterprise Value – This takes time. You would not Exit your home without pre-planning on how to maximize sale price, yet this is what many if not most business owners do.



No Exit Strategy



Good Exit Strategy

Business Exit Strategy vs. No Exit Strategy

Two companies being sold - same industry, buyer pool & market conditions

Company A

- ✓ ~\$100M revenue & 13% EBITDA
- ✓ Traded at 10x EBITDA with 90% cash at close
- ✓ Servicing growing sectors
- ✓ Owner obsolete and deep bench of talent
- ✓ No client over 10% of revenue
- ✓ Made accretive acquisitions
- ✓ Owner motivated to sell for retirement
- ✓ Miserable post sale. Work was life. Now working for a competitor. Not going well.

Company B

- ✓ ~\$200M revenue & 8% EBITDA
- ✓ Traded at 8x EBITDA with 70% cash at close
- ✓ Servicing mature sectors
- ✓ Owner obsolete and deep bench of talent
- ✓ Largest client 30% of revenue
- ✓ No acquisitions
- ✓ Owner motivated to sell for retirement
- ✓ Happy with life (adventure, friends, family, travel)

The Business Exit Strategy

Action Items For Maximizing Value in the Business Exit Strategy

1. Assess current Enterprise Value supported by:
 - ✓ Risk Profile Assessment
 - ✓ Value Driver Assessment
 - ✓ Valuation Multiple Assessment
2. Developing a Business Exit Vision (when, to whom and for how much)
3. Start prioritizing time to bridge the gap between the present and the future

Valuation Methodologies

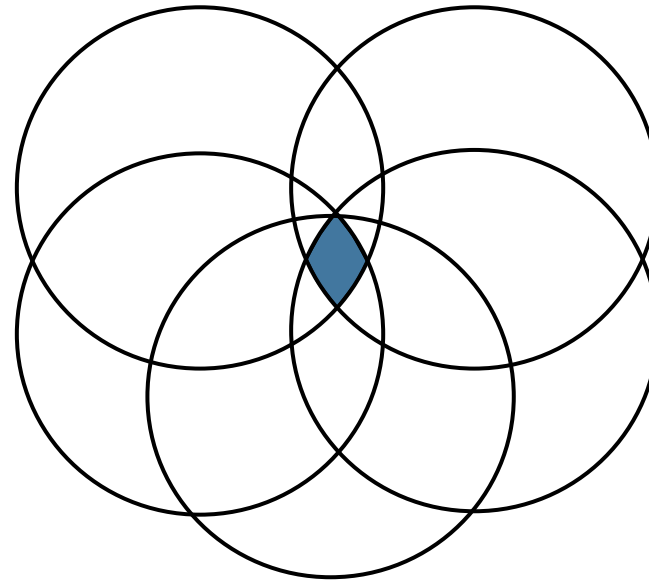
Estimating value is a process of triangulation using insight from each of the relevant valuation methodologies

Discounted Cash Flow

Analyzes the present value of a company's future cash flow

Precedent Acquisition Transactions

Utilizes data from M&A transactions involving similar companies



Sum of the Parts

Used when company has unrelated business lines

Publicly Traded Comparables

Utilizes market trading multiples from publicly traded companies to derive value

Leveraged Buy Out

Used to determine range of potential value for a company based on leverage capacity and targeted equity returns

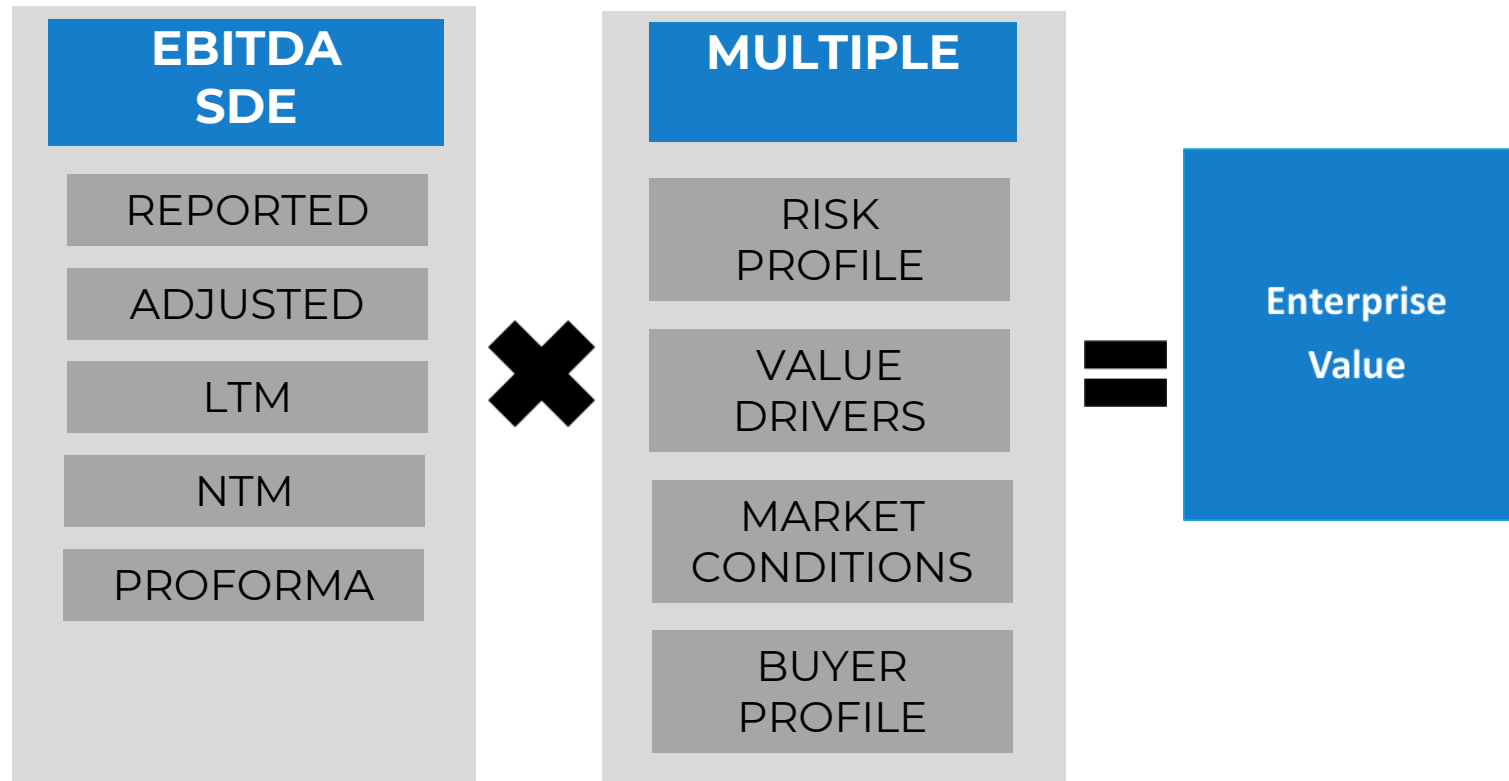
Valuation Methodologies

| Method | Strength | Weakness | Challenge |
|-----------------------------|--|--|---|
| Publicly Traded Comparables | <ul style="list-style-type: none"> Reflects collective wisdom of market under <u>current</u> market conditions | <ul style="list-style-type: none"> Relies on analogy and can miss company specific information | <ul style="list-style-type: none"> Figure out meaningful differences from comps and make judgment about impact on multiple |
| Precedent Transactions | <ul style="list-style-type: none"> Reflects value of control and is likely more appropriately comparable in size and business description | <ul style="list-style-type: none"> Value is as of a point in time – markets change. Accurate comp. data hard to attain. | <ul style="list-style-type: none"> Same as above, but also changes in market conditions & available transaction partners Need to consider the impact of synergies |
| LBO | <ul style="list-style-type: none"> Higher leverage available and lower return expectations can make LBO valuations fairly strong | <ul style="list-style-type: none"> May not represent “fair” value | <ul style="list-style-type: none"> Need to consider leveragability of business or asset |
| DCF | <ul style="list-style-type: none"> Reflects value based on company specific projections | <ul style="list-style-type: none"> Very sensitive to accuracy of projections – cannot determine accuracy of projections | <ul style="list-style-type: none"> Terminal value often represents significant portion of total value and requires judgment |
| Sum of the Parts | <ul style="list-style-type: none"> Useful analysis when company has unrelated businesses that may be valued differently | <ul style="list-style-type: none"> Often limited available information on specific business segments Separation issues (overhead allocation) | <ul style="list-style-type: none"> Interpreting the results and understanding where any potential valuation discrepancies exist between the divisions |

One cannot simply rely on one valuation method or one set of considerations. Explore different methods and look for congruence.

Enterprise Value

1. Most companies trade at Multiples of Adjusted EBITDA or SDE (Last Twelve Months (LTM) and Run Rate)
2. A Company's Attributes **(Risk Profile)** and Value Drivers determines the Multiple range
3. Overall Market Conditions also affect the Multiple range



The Risk Profile

Key Risk Profile elements that impact valuation multiples

Financial



1. Financial Profile (Rev. Gross Margin and EBITDA trends)

Customer Metrics



2. Customer/Revenue/Margin concentrations/dependency

3. Customer profile (Declining, Mature or Growing sectors)

4. Customer retention history

Talent & Leadership



5. Talent Profile (Managerial and sales strength)

6. Ownership leadership dependency (not mattering!)

7. Ownership staying or leaving

Business Practices & Technology



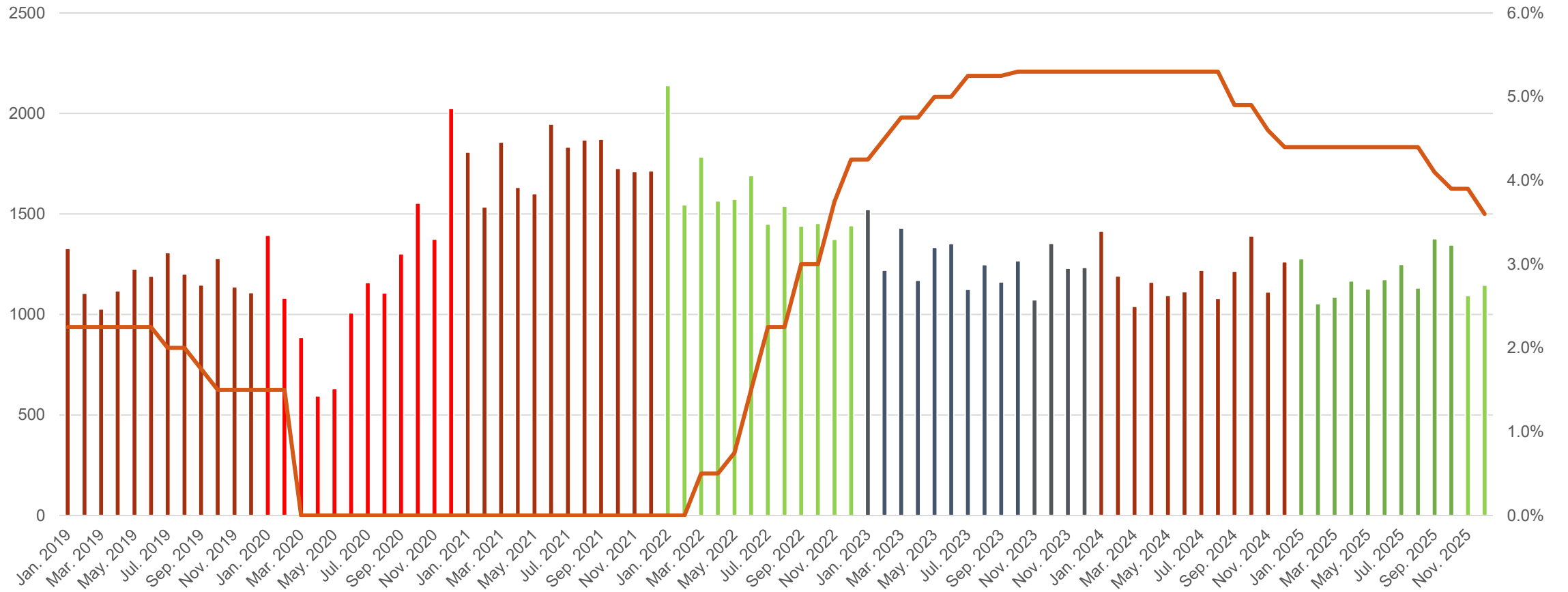
8. Operating practices (how well does the company execute)

9. Back-office practices (process, controls, record keeping)

10. Technology & IP

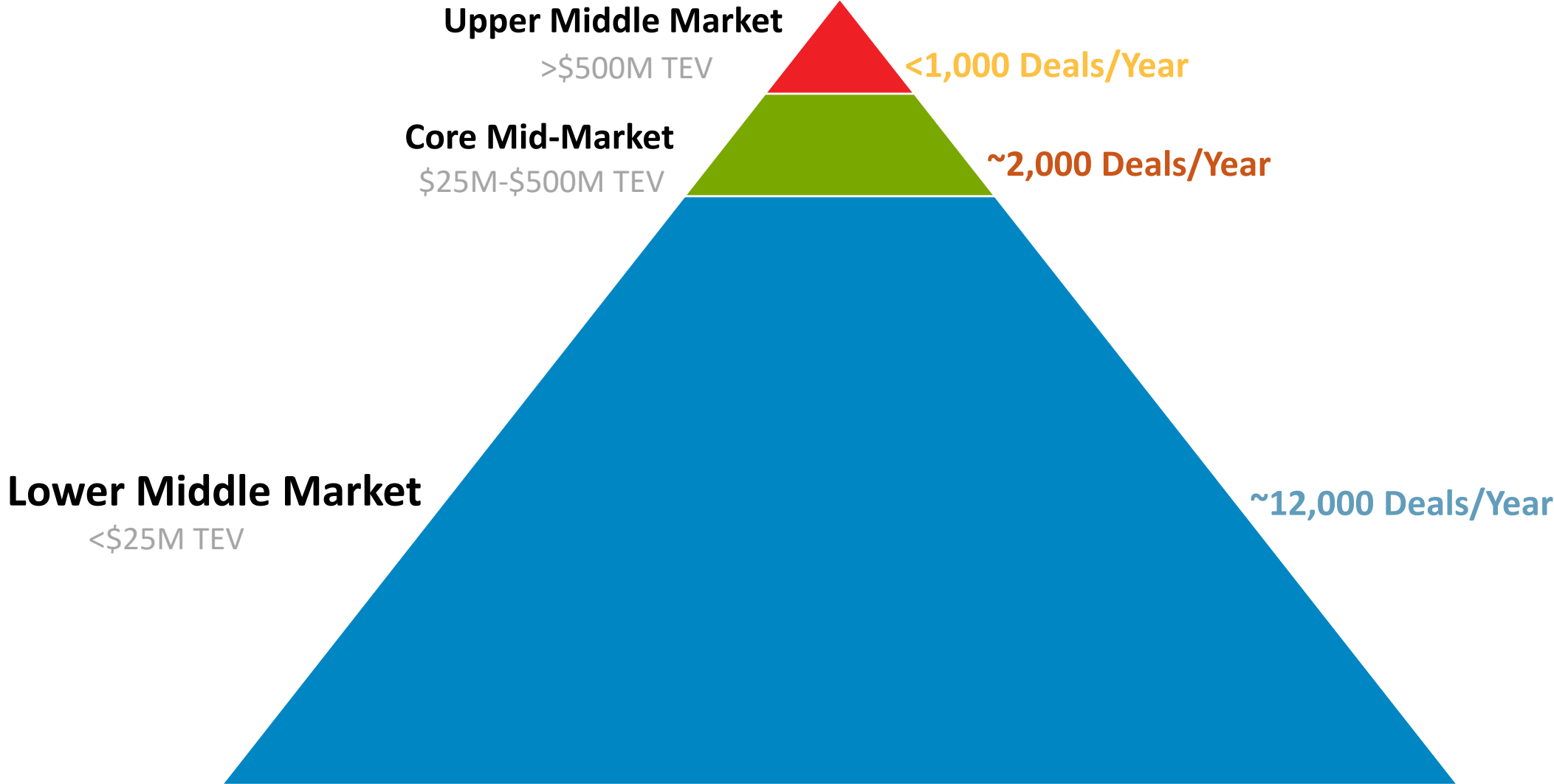
Market Conditions

2019-2025 US M&A Volume & Fed Funds Rate

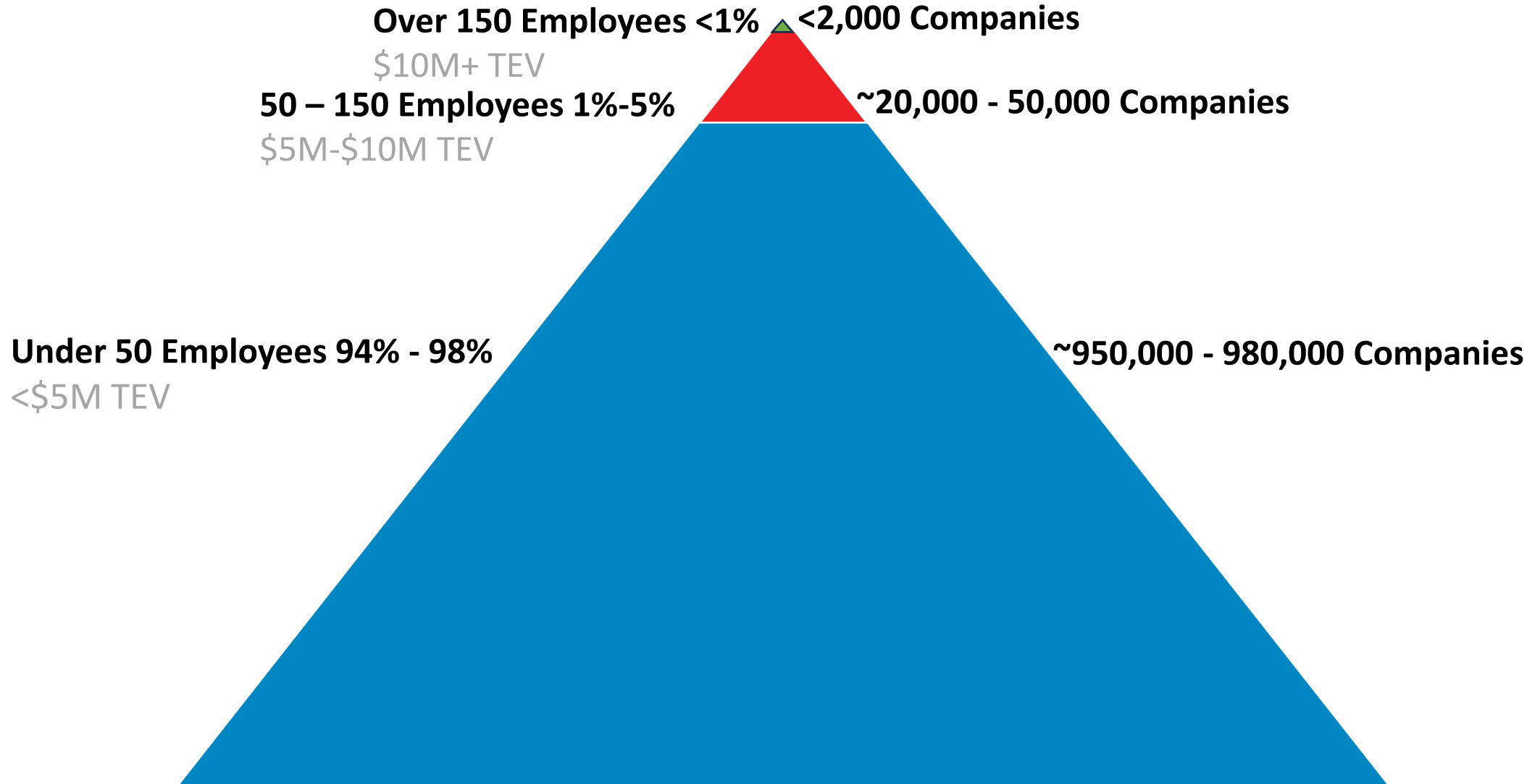


Source: Factset

WHAT IS THE MIDDLE MARKET?

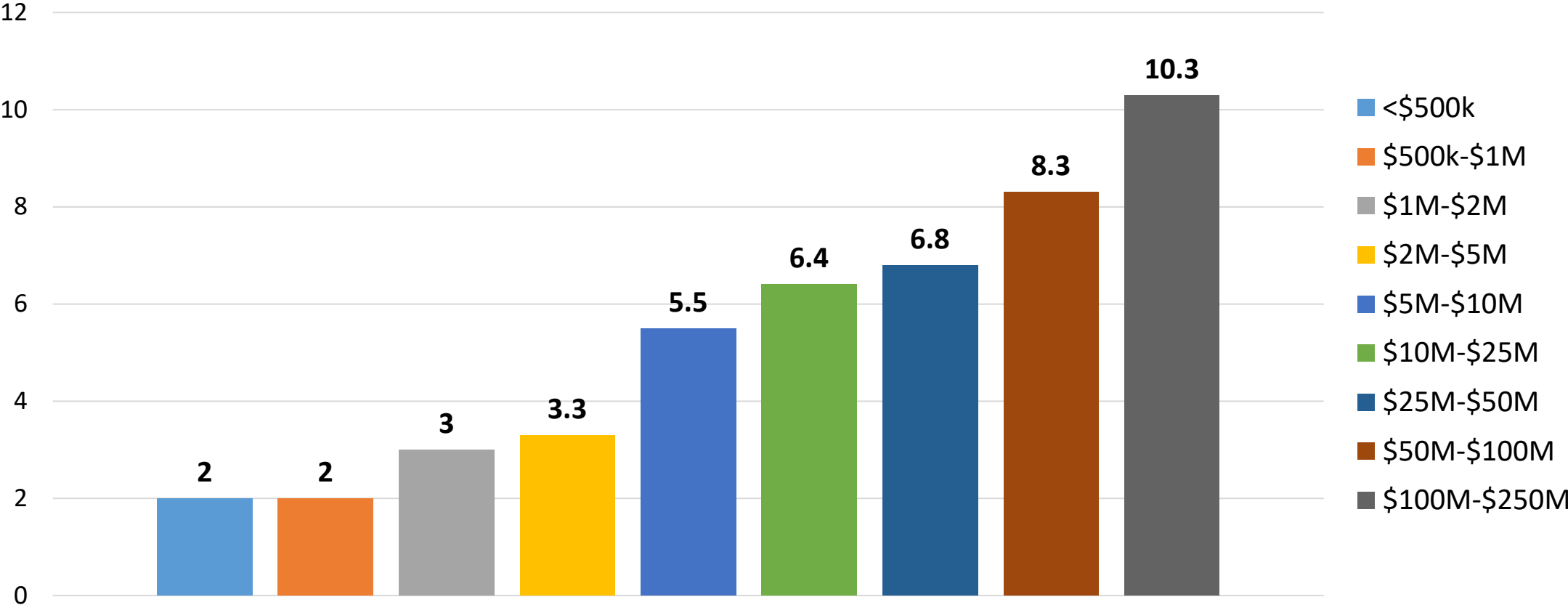


THE SILENT MAJORITY OF DEALS



Middle Market Valuation Multiples

Total Enterprise Value By Transaction Value (TEV)/EBITDA or SDE



Source: GF Data, Pepperdine Private Capital Markets, PowerComps and Pursant. LLC

Phases of the Business Transfer Cycle

- Up until the Pandemic, for decades, shifts in interest rates have historically driven the market cycle, moving it from a **Seller's Market** to **Neutral** and eventually a **Buyer's Market**, with rising rates typically reducing both deal activity and valuation multiples

| Deal Recession (Buyer's Market) | Prime Selling Time (Seller's Market) | Uncertainty (Neutral Market) |
|------------------------------------|---|---------------------------------|
| 1980 – 1983 | 1983 – 1988 | 1988 – 1990 |
| 1990 – 1993 | 1993 – 1998 | 1998 – 2000 |
| 2000 – 2003 | 2003 – 2008 | 2008 – 2010 |
| 2010 – 2013 | 2013 – 2022 | 2022 – 2026 |

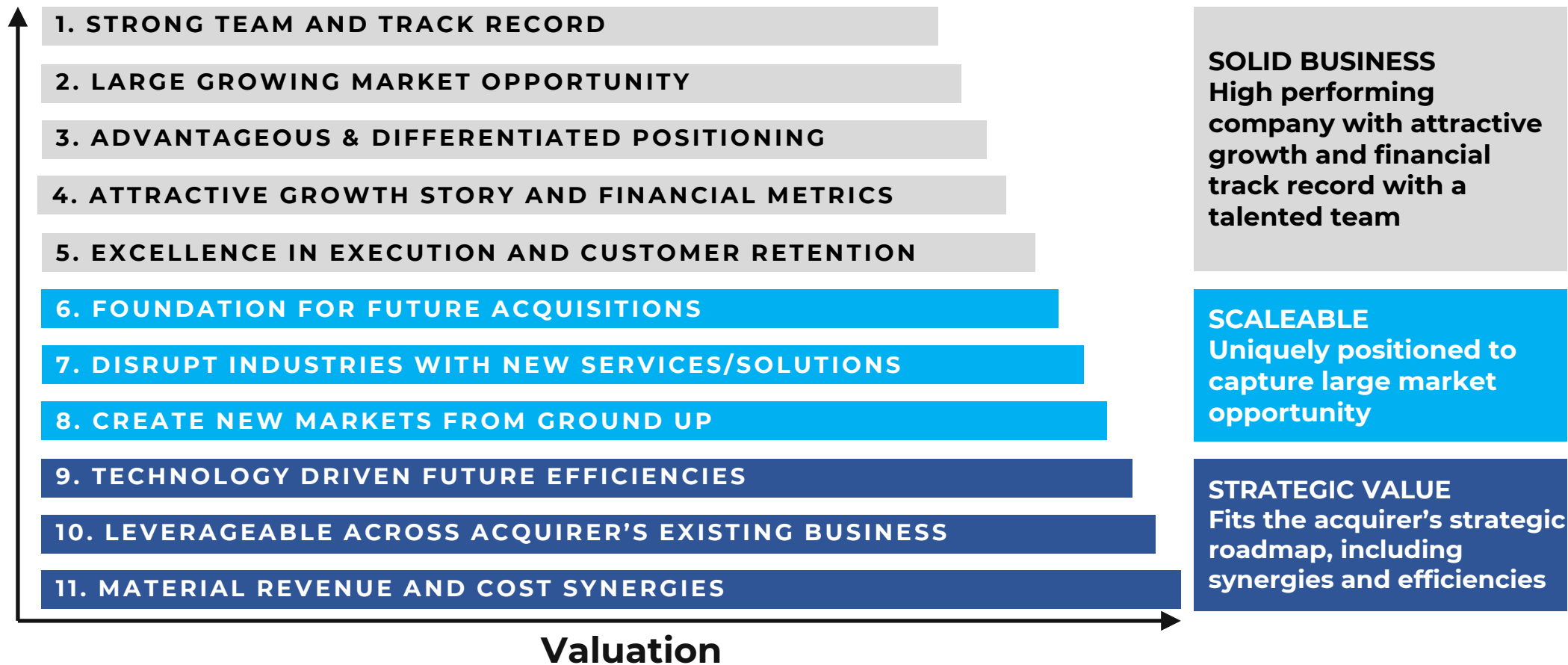
Source: Rob Slee - Private Capital Markets

Value Drivers

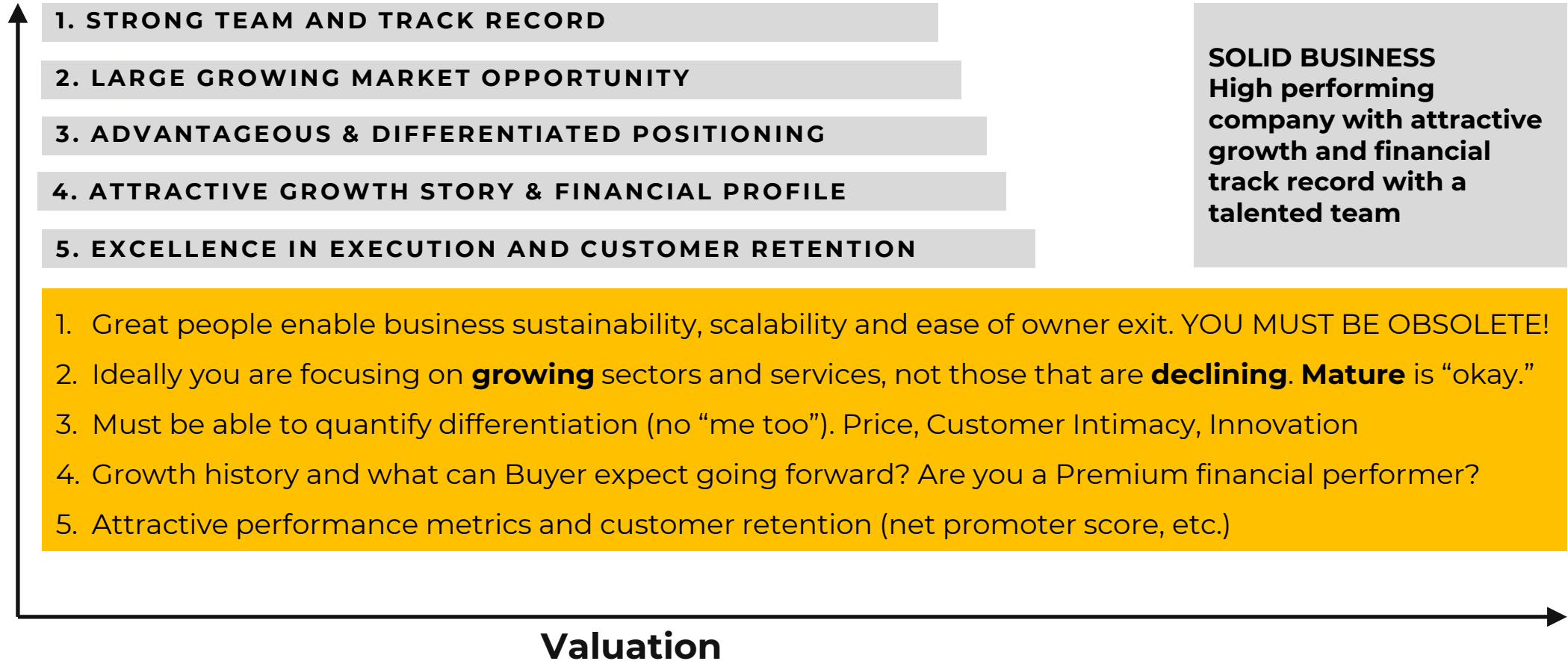
This is where you should spend your time while focusing on the business side of the Master Exit Strategy

The Value Drivers

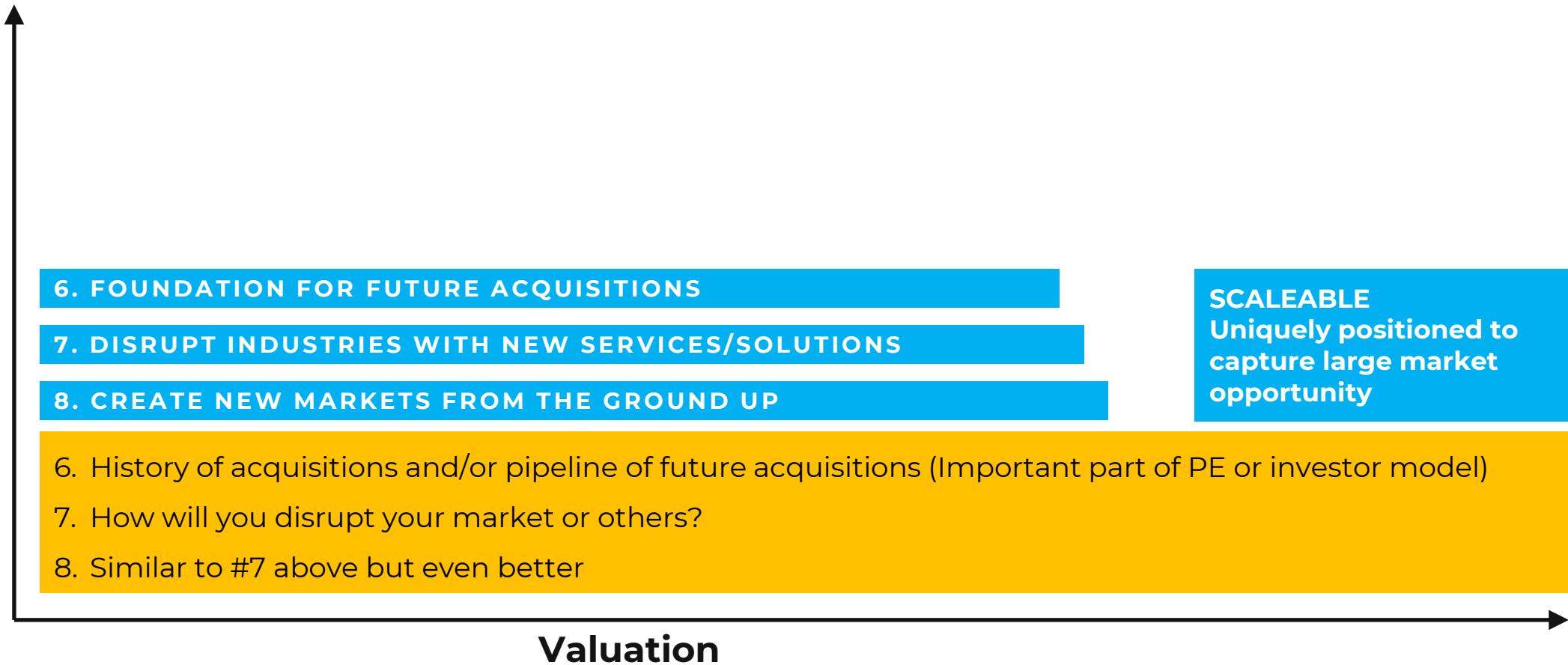
These take years to develop and execute!



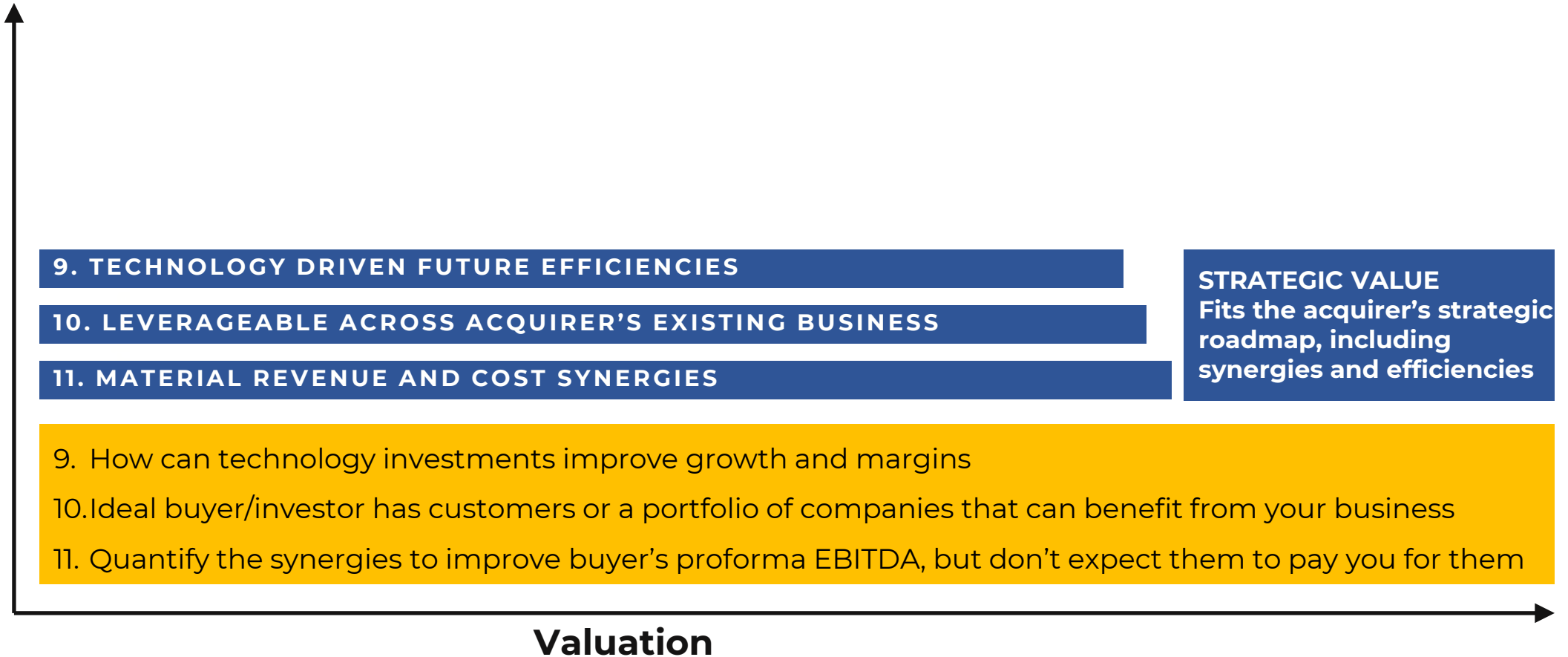
The Value Drivers



The Value Drivers



The Value Drivers



The Value Drivers & Their Relevance

| Value Drivers | Value Driver Relevance | Valuation Multiple | | |
|---|------------------------|--|-------------------------------|--------------------------------------|
| | | Low | Medium | High |
| Market Position | | | | |
| Market Leadership | Very High | Small Player in the Big Market | Medium Size Players | Leader |
| Defensibility of Position | Very High | None | Unique | Proprietary |
| Geographic Coverage | Medium | Local | Regional | National or Global |
| Competitive Advantage | | | | |
| Product /Service Differentiation | High | Low Barriers to Entry | Difficult to Replicate | Unmatched / Unique |
| Innovative Technology | High | None | Improves Operating Metrics | Unlocks Higher Margins |
| Value Proposition | High | Nice to Have | Want to Have | Differentiated / Must Have |
| Customer Base | | | | |
| Top Ten Customer Concentration | Very High | Many Double Digit % of Revenue Customers | Largest Customer % of Revenue | No Customer More Than 10% of Revenue |
| “Stickiness” of Relationships | Very High | Open Purchase Orders | Short-term Contracts | Long-term Contracts |
| Length of Relationship | High | < 5 Years | 10+ Years | 20+ Years |

The Value Drivers & Their Relevance

| Value Drivers | Value Driver Relevance | Valuation Multiple | | |
|---|------------------------|--------------------------|--------------------|------------------------|
| | | Low | Medium | High |
| Human Capital Drivers | | | | |
| Management Quality | Very High | Poor | Average | Excellent |
| Depth and Relevance of Management Team | Very High | One Man Show | Few Key Leaders | Deep Team of Leaders |
| Employees | Medium | Lack Technical Expertise | Somewhat Technical | Technical Experts |
| Financial Drivers | | | | |
| Visible Growth Opportunities | Very High | None | Some | Significant |
| Stability of Earnings | Very High | Unstable | Fairly Consistent | Consistent / Recurring |
| Historical Growth | High | < 5 % | 5% - 15% | > 15% |
| EBITDA Margins | High | < 10% | 10% - 20% | > 20% |
| Capacity / Cap Ex | Medium | No Capacity | Some Capacity | Significant Capacity |

The Business Exit Strategy

Business Exit Strategy – The Exit Vision

“By 2029, ABC Company will stand as the recognized leader in widget manufacturing, setting the industry standard for speed, customization, and reliability. We will differentiate ourselves by delivering mass-produced, customized, on-demand products to customers nationwide in less than one week. Powered by proprietary technology and a culture of innovation, we will expand our capabilities across industries and borders, creating value that competitors cannot replicate. Investors will reward us with premium valuations for our unmatched access to customers, scalable margins, and world-class talent. With enterprise value exceeding \$90M, ABC Company will be guided by leaders committed to building on our success while honoring the trust of our customers and employees for generations to come.”

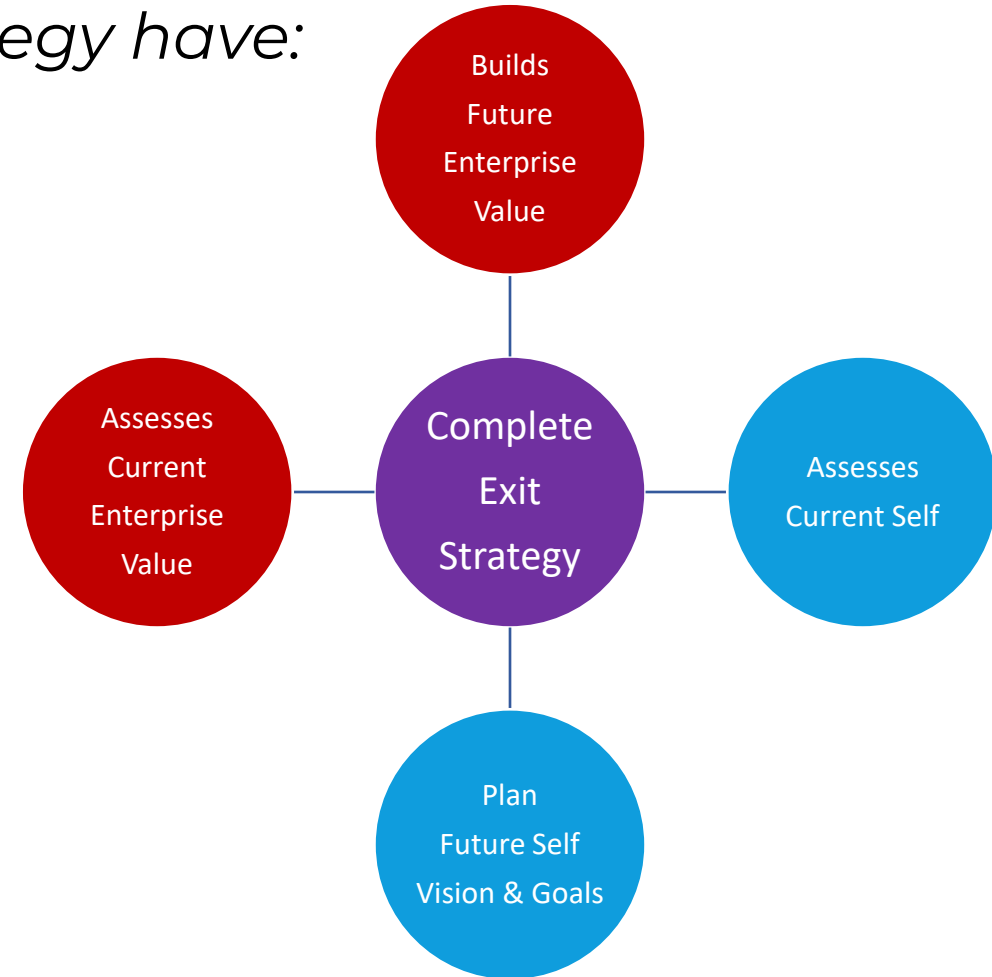
The Business Exit Strategy – To Summarize

1. Understand Current Enterprise Value
2. Evaluate Your Risk Profile
3. Watch Macro-Market Conditions
4. Prioritize Time to Focus on Value Drivers
5. Create your Exit Vision

The Master Exit Strategy

Those that have a Master Exit Strategy have:

- *Less ownership fatigue*
- *A more valuable businesses*
- *A fulfilling next chapter*





Thank you!

Mark Herbick
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 Pursant
INSPIRED PURSUIT