

Private Equity client rolls up HVAC mechanical engineering services platform on a regional basis

The problem

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- ❖ Through a series of acquisitions, nxtMOVE's private equity client wished to establish a comprehensive network of industrial / commercial HVAC maintenance and repair services in the US
 - ✓ Southeast – Mid-Atlantic
 - ✓ Midwest
 - ✓ Pacific Northwest
- ❖ Systematic and repeatable customer due diligence was required to:
 - ✓ Identify red flags that could impact the value of the client's investment
 - ✓ Determine the stability of customer bases and verify the revenue streams to be acquired
 - ✓ Assess trends in outsourcing
 - ✓ Measure acquisition candidate performance vs. the competition
 - ✓ Explore potential post-acquisition synergies with client's platform



What did we do?

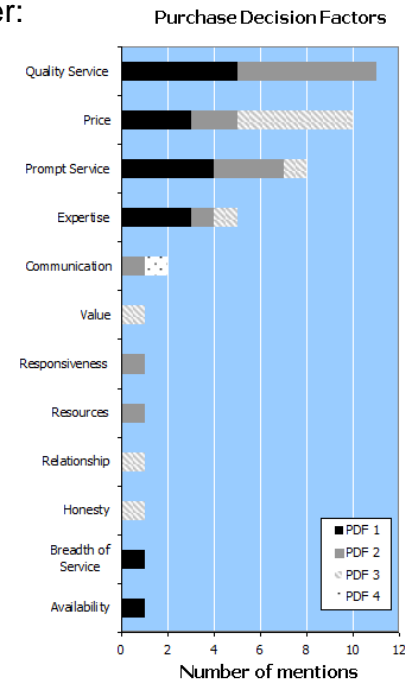
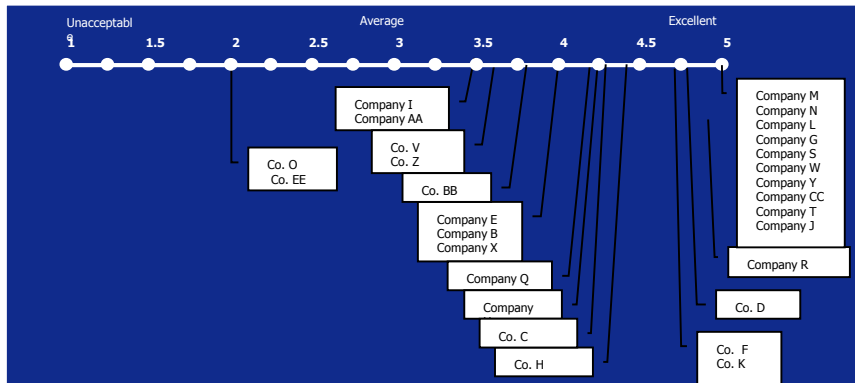
Over a 5 + year span, nextMOVE conducted separate customer due diligence engagements on more than 10 regional acquisition candidates

The approach

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- nextMOVE structured a series of repeatable, quick turn around engagements consisting of in-depth prime source interviews with:
 - Current customers
 - Former customers
 - Prospective customers
- Our analyses (quantitative and qualitative results) were utilized by the acquirer:
 - For negotiation leverage
 - In acquire / do not acquire decisions
 - To address vulnerabilities and capitalize on new opportunities
 - In post-acquisition integration and platform strategy

Acquisition Candidate vs. Competitors' - Average Ranking by Customer



Our partnership with the client helped facilitate a successful rollup and profitable exit

The results

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- At the Letter of Intent stage nxtMOVE conducted customer due diligence on every sizeable transaction
- Our customer due diligence was a routine, but critical part of client platform development and the acquisition process
- Due diligence results were usually delivered within 3 weeks
- Presentations to client and acquisition candidate management also helped formulate long-term strategy and facilitate post-acquisition platform integration

