

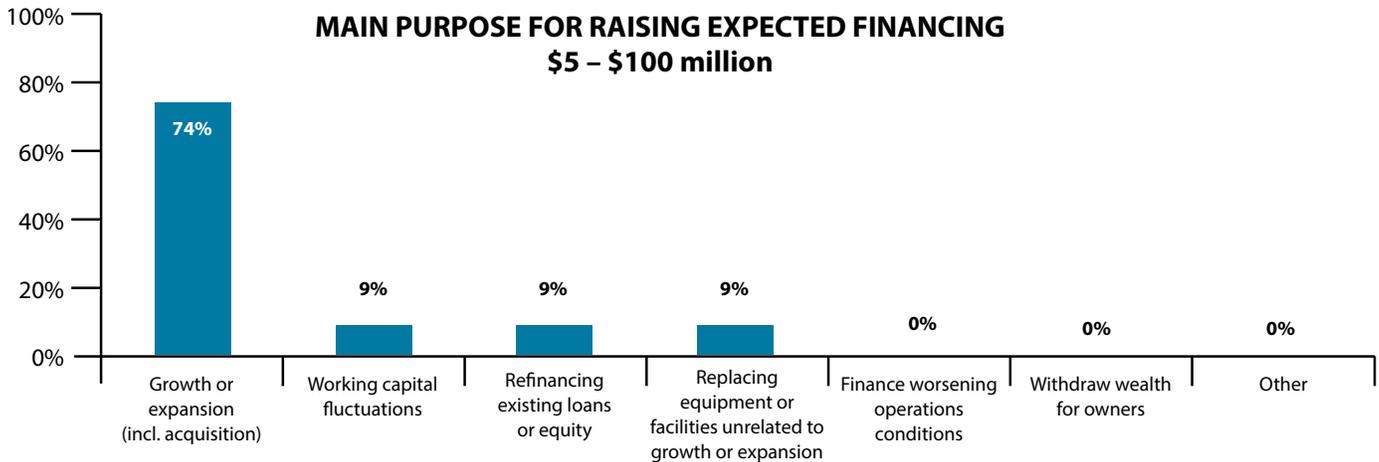


Intelligently Structured Financing for Your Business Acquisition

CEOs in the middle market are showing strong interest in growth through acquisitions. Find out how US Capital Global can provide the custom acquisition financing your business needs to expand.

Despite a recognized downturn in global M&A activity in the first two quarters of 2019, the US has maintained a relative stronghold, “**dominating**” the global M&A market. Taken as whole, the past 18 months have continued a **good streak for M&A activity** dating back to 2014, with research showing that downturns prove to be **excellent times for deal-making**.

According to a recent report, **74% of US lower middle market businesses** seeking to raise financing expect to do so with growth or expansion, including acquisition, as their primary purpose.



Source: Pepperdine Private Capital Access Index, Second Quarter 2019

Financing Your Business Acquisition

Making an acquisition can be a complex undertaking, especially for a small or medium-sized business (SMB), and often requires multiple sources of financing. Generally, there are three basic ways, other than cash, to finance your acquisition and grow your business to the next level:



1. Loans against specific business assets

An acquisition often involves the purchase of new business assets, such as buildings or equipment. Since 1998, the **US Capital team** has been providing asset-backed loans of \$500,000 to \$100 million to finance acquisitions and other growth initiatives. Assets that qualify for such loans include accounts receivable, inventory, purchase orders, real estate, machinery and equipment, and even intellectual property.

2. Loans against cash-flow and enterprise value

US Capital Global offers growth-capital term loans of up to \$100 million. Businesses with a competitive advantage in a fast-growing industry can consider subordinate financing, which may lead to higher loan amounts. Unlike conventional bank loans, this formula allows flexible repayment terms.

3. Equity financing

US Capital Global, through its registered broker dealer affiliate US Capital Global Securities, LLC, also participates in and has wide distribution for private placements of equity to meet a variety of growth objectives, including funding add-on acquisitions. In raising private equity capital, US Capital Global Securities, LLC always make sure the deal structure is appropriate for a client's specific needs. The firm is able not only to facilitate sell-side and buy-side transactions, but is also licensed to actually provide financing for M&A.

Customizing Your Acquisition Financing

Often, the best financing solution for a company is an intelligently structured mix of cash (if available) and debt, with some equity. **US Capital Global** can, for instance, structure and provide an optimal combination of a growth-capital term loan together with some equity financing. This offers a minimally dilutive option to a straight equity raise, allowing you to retain greater ownership of your business.

If you are currently engaged with or aware of a business that is seeking acquisition financing, please email [Jeffrey Sweeney](mailto:jsweeney@uscapglobal.com), Chairman and CEO, at jsweeney@uscapglobal.com or call (415) 889-1010.

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