



## Buy-Side Acquisition Process

The Altus Team has extensive experience in acquisition strategy, federal agency operations, financial valuations, market research, due diligence and transactions and has conducted over thirty acquisition projects on behalf of private and publicly traded companies entering and growing in the federal market.

Altus conducts buy-side engagements under a standard process that is divided into two phases; Phase I is Research and Evaluation for identifying and qualifying potential acquisition targets and Phase II is target Contact, Negotiations and Closing.

### Phase I: Research and Evaluation

<b>A. Assist Client in Developing Specific Criteria</b>
<b>B. Locate Qualified Acquisition Candidates</b>
<b>C. Evaluate and Identify Best Targets</b>
<b>D. Deliver Target Analysis Report</b>
<b>E. Client Approval of Targets for Contact</b>

- A. **Assist Client in Developing Specific Criteria.** We will work with our client to develop a written listing of specific criteria and priorities for the search. We will confer early in the project with decision-makers to understand the objectives of the acquisition and discuss the kinds of firms that might be most suitable. The initial research and evaluation will be made on as many criteria as are available in public records. Internal company information cannot be obtained until Phase II commences.
- B. **Locate Qualified Acquisition Candidates.** Altus will develop a list of potential acquisition candidates from the over 150,000 active federal government contractors. In past searches we have examined as many as 400 companies in arriving at companies potentially meeting our client's acquisition criteria. We will utilize proprietary databases on government contracts and contractors, public databases from government agencies, research through industry organizations, the results of past research by Altus, and our extensive network of personal contacts within the industry.
- C. **Evaluate and Identify Best Targets.** Altus will next evaluate the companies most closely meeting our client's acquisition criteria. This list also will include

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approximately 20 to 30 companies of the most likely potential interest for which we will develop a quantitative and qualitative scoring analysis to assist our client's evaluation of the targets. In doing so, we will apply a set of scoring and eligibility criteria that will act as a guide in the selection process. These scores, which will go through a series of refinements, have proven very useful in previous searches.

- D. **Deliver Target Analysis Report.** Altus will prepare and deliver a report identifying the most attractive acquisition targets accompanied by extensive identification data and supporting information.
- E. **Client Approval of Targets for Contact.** Our client will then have the opportunity to select an initial list of priority targets to contact. As the process proceeds, our clients often revisit the initial list of identified candidates for contact and we perform subsequent research to identify additional companies for our client's consideration.

### **Phase II: Contact, Negotiations and Closing**

<b>A. Contact Targets</b>
<b>B. Prepare an Analysis of the Target</b>
<b>C. Introduce the Parties</b>
<b>D. Assist in Assessment and Negotiations</b>
<b>E. Assist with Due Diligence, Closing and Merger</b>

- A. **Contact Targets.** Altus will contact the CEOs or owners of the companies on the target list for initial discussions. Often with companies that are not represented or being actively sold, the acquisition process involves consultation and persuasion with the management and ownership of the target company.
- B. **Prepare an Analysis of the Target.** Once we determine that a company may meet our client's criteria, we obtain relevant company information under an NDA and prepare and send a report to our client that covers the target's operational and financial qualifications and their views vis a vis a potential acquisition.
- C. **Introduce the Parties.** If after reviewing the report, our client wishes to pursue discussions with a target, Altus will arrange the introduction between companies and help conduct further assessment of the target. Often initial meetings between CEOs and management clarify the opportunity and either negotiate or terminate discussions.
- D. **Assist in Assessment and Negotiations.** If discussions continue, Altus can provide our client a broad range of supporting analysis during negotiations, including financial assessment, valuation, contract status, industry reputation, and operations. We will also assist in the preparation and negotiation of Letter of Intent.

- E. **Assist with Due Diligence, Closing and Merger.** Our team will already have substantial knowledge of the target by the time a Letter of Intent is signed and will be available as needed to assist the due diligence and closing team. During the latter stages we are available to all buyer executives, lawyers, accountants and financial supporters for needed services and advice both for closing and conducting post-closing merger of the two companies.

This systematic process has enable Altus clients to identify and acquire the best targets for their respective strategic benefits.



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