

BEYOND BUY-SIDE

# Finessing the Financing Gaps to Unlock Add-Ons

In today's market, private equity investors continue to confront the challenges of deploying capital. Platform investments are down, and while add-on acquisitions are on the rise, those deals also face financing complexities, with existing lenders taking a more conservative view on funding add-ons.

At G2 Capital Advisors ("G2"), we go beyond sourcing highly qualified, thesis-aligned targets to identifying and addressing financing gaps early in the M&A process. Here's how our comprehensive process works—and why it's different:

## Industry expertise

Plumbed from decades of executive-level sector insight, our industry experience creates an exceptionally unique buy-side value proposition by:

- Producing more relevant targets from networks built by our team of former operators,
- Driving increased engagement through shared vernacular and experience, and
- Optimizing client outcomes by applying an authentic understanding of market value drivers.

The result? More targets, richer relationships, and an increased likelihood of getting the right deal done at the right price.

By knowing an industry inside and out, G2 is also able to position the M&A story to drive engagement from potential capital providers. We can maximize leverage by selecting the best-versed capital provider most capable of seeing and leaning into the opportunity.

## G2 Industries of Focus



### Consumer & Retail

- Multi-Unit Consumer
- Food & Beverage
- Consumer Goods



### Industrials & Manufacturing

- Niche Manufacturing
- Building Products/Construction
- Metals & Materials
- Containers & Packaging
- Distribution



### Technology & Business Services

- Tech-Enabled Services
- Business Process Outsourcing
- commerce Fulfillment
- Managed Services



### Transportation & Logistics

- Freight Brokerage & Freight Forwarding
- Logistics Services
- Trucking
- Final Mile

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*We fill financing gaps in M&A deals quickly to maintain deal momentum and keep portfolio companies on a path of value creation. This additional support is especially in demand now as sponsors balance complex deals with a constrained capital markets environment.”*

**Reed Upson**

Managing Director  
Capital Markets at G2

## Capital markets advisory adaptability

Today, financing a transaction is not a foregone conclusion—even for lower-risk add-on acquisitions. To avoid deal derailment, we assess capital needs early in every target conversation. If existing lenders present a roadblock, we move quickly to engage our capital markets team to bridge the gap by sourcing new debt and equity.

Our combined sector specificity and investment banking acumen enable us to run expedited processes to secure the best partner to finance future growth. We quickly explore a range of options, from securing senior debt, sub-debt, or structured equity to finance accretive add-ons.

## Private equity partnership

Our partnership approach drives long-term value creation through entering new markets or geographies, expanding capabilities, acquiring talent, and buying down entry multiples. Today, our speed in evaluating add-on opportunities, pivoting to alternative targets, and supporting financing needs offer obvious support for achieving end-of-year goals. We expect similar market dynamics in the first half of 2024—and sponsors will increasingly move off the sidelines and into the game. G2 can help.

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At G2, our deep strategic and sponsor networks help us match aligned interests and give sellers private equity entrée. Plus, our capital markets and restructuring services support operational and financial course corrections and capital infusions with the goal of improving valuations on exit.

To learn more about how our insight and expertise can support your business goals, contact us.

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