



"Success is only real when shared"

We acquire profitable SMEs from retiring owners convert them into employee ownership. We then boost their growth through technology, strategic support, ESG practices and training.

Dear Sir or Madam,

We're excited about the possibility of teaming up with you to buy one of your client's companies.

In short, PurpleShares aims to acquire the company with flexible terms and bring in new management smoothly.

After the acquisition, we plan to offer shares to the employees, making them more involved and gradually turning your client's company into one owned by its employees.

Our goal is to go beyond just buying and selling companies; we want to improve the future of small and medium-sized businesses by focusing on important factors like their environmental, social, and governance practices, as well as automating their processes with technology.

In addition to this approach, we aim to redefine the role of brokers in mergers and acquisitions and our focus is on building lasting relationships rather than just completing deals.

We're excited about the chance to work with you.

Best regards.

The PurpleShares Team.

ben@purpleshares.com – PurpleShares.com

WHY

At PurpleShares, we believe that employee ownership is not only the future of company ownership but a powerful force for driving growth, innovation, and employee engagement in SMEs. Our intention is not to merely acquire SMEs but to transform them into thriving, employee-driven entities that ensure long-term success while creating a more equitable economic future for all.

- **70%** Of SMEs in Europe encounter unsuccessful sales when owner wants to retire or step down.
- **35%** Of SMEs are owned by individuals over 50 years old, offering an important demographic opportunity shift.
- **76%** Of the cases, money is the cause of transition failures, followed by succession planning and of course management.
- **89%** Of SMEs lag in digitalization, lacking the internal resources to meet industry standards, putting them at risk.
- **95%** Of SMEs are not ESG compliant and struggle to identify areas for improvement or address even a single aspect of ESG standards.

OUR MODEL

We buy companies from retiring owners

PurpleShares is new small business and SME buyer in Europe. We are leading our acquisitions with a groundbreaking employee ownership program. We then back our companies with a new trained management, state-of-the-art technology, ESG focus, educational resources, and dedicated servicing to empower our teams and of course drive growth.

PurpleShares takeaways

- We take 50% to 100% stake in profitable SME in EU (Fr, BE, LU)
- From retiring or stepping down owners if existing for 7 years +
- Through a normalized but flexible exit model (seller notes, earn-outs)
- We appoint a new CEO, train him to our management standards
- We grant the team 10% of the business's stock on acquisition
- We increase it over time through an ownership program up to 80%
- We leverage technology, ESG practices, education, and strategy

Business model

Our business model is transparent :

- **Dividend distribution** from our portfolio companies to shareholders and employee-owners.
- **Margin on services** provided with a focus on lead-gen, digital marketing, process automation.
- **Capital gains** from organic growth, valuation multiple increase and debt leverage.
- **The Purple Twist**, shares sale through our ESOP based on an annual FMV.

With brokers

Why partnering with us

Meaningful impact: Join us in shaping a future where shared success is a defining principle in Merger & acquisition through employee ownership.

Financial Security: With secured funding from multiple financial partners, we have the autonomy to make a decision promptly and independently.

Seasoned Expertise: Our team have 20+ years of experience in private equity and excels both in acquiring companies or implementing ownership programs.

Fast lane screening: We can tell you if we are interested in a deal in less than 48h and can tell you if we want to pursue a deeper analysis in 5 opening days

Fast lane closing: If your file is complete and the seller complying we can position ourselves in less than 30 days with an LOI.

Lead generation: Our digital tool brings in numerous companies for sale directly from sellers, which we promptly redirect to brokers.

Confirmed revenue: We establish relationships on the buy side and mandate brokers for extended due diligence, backed by retainers.

Lasting Relationships: We cherry pick broker partners the same way we do for the companies to foster a mutually beneficial relationship and for the long run.

Better fees: In some specific cases, we pay extra even if you are on the sale side avoiding any conflicts of interest with your clients.

	Sale side	Buy side
Retainer	N.a	Case by case
Success fee	N.a	2-6%
Fast closing fee	0.5%	0.5%
Extended duedil fee	-	0,5%

With brokers

How we partner with brokers

First contact: Ensuring a shared vision and alignment with our respective processes is more than a formality for us. We prioritize initiating a call before dealing together.

Agreement: Next step involves signing an NDA for companies you propose to PurpleShares in the next 36 months and a fee agreement for additional fees occurring in specific circumstances.

Strategic Alignment: We then work closely with brokers to identify businesses that align with our mission and values to ensure a shared vision for the future of the acquired SME.

Transparent Communication: We keep our broker partners informed at every step, fostering a collaborative environment where trust and open communication is paramount.

Digital tool: We propose a digital platform for streamlined information exchange and collaboration to fasten our screening, and decision-making processes. Additionally, data on our capital and portfolio companies is available.

Customized solutions: Brokers can expect a professional partnership that adapts to the intricacies of each transaction. Our tailored approach is specific to the needs of each acquisition.

Mutual Success: Our partnership model is built on mutual success. Brokers who collaborate with us are not just transactional partners; they become integral contributors to the success of employee-owned enterprises.

Targets

We are industry agnostic but love SMEs in semi-industrial production, B2B distribution, software and IT services, leisure parks, and pharmaceutical industry. We are looking for:

- Profitable SMEs based in Europe. with a focus on France, Belgium, Luxembourg and Switzerland.
- Owner(s) over 50 years old, retiring or resigning if the company has existed for more than 7 years.
- A stable EBITDA over 3 financial years and a turnover between 1 and 25 million euros.
- Acquisition of at least 50% of the capital and exit from the owner on a period of 6 months minimum.
- We acquire the real estate when needed or under certain conditions.
- We do not operate in events, restaurants (except chains), real estate and construction industry.

Our acquisition criteria may vary overtime.
We nevertheless respond to each proposal received.

ben@purpleshares.com – PurpleShares.com