

Investment Teaser in an M&A Deal: A Concise Introduction to a Potential Sale Process

An investment teaser is a brief summary, typically one or two slides, that outlines a potential sale process without revealing the identity of the company being sold. The purpose is to keep the company's information confidential while highlighting its value to a wide audience. By reaching out to a larger pool of potential buyers, the target company can secure the best possible deal.

When a company decides to undergo a sale process, their primary objective is to achieve the highest sale price. To help them accomplish this, they enlist the services of investment bankers or M&A advisors. These professionals also aim to maximize the value because their commission is tied to the business's valuation.

To attract potential buyers and drive up the valuation, it is crucial for the consultants to effectively market the company. This is where the "teaser" comes in—a professionally prepared document that showcases the company's strengths, financials, projected growth, and customer base. At this stage, the company wants to remain confidential and thus the teaser is crafted without disclosing its name.

Contents of a Teaser:

- **Industry Overview:** Provides a brief overview of the industry and competitive landscape in which the company operates.
- **Business Description:** Highlights the company's capabilities and the nature of its products or services. It is important to avoid copying information directly from the company's website to maintain confidentiality.
- **Location:** States the headquarters' location, which allows potential buyers to consider synergy possibilities or view the deal as an entry into a new market.
- **Financial Summary:** Presents key financial information such as revenue figures and forecasts, EBITDA margins, and other relevant metrics. Investors often look for specific financial profiles, such as revenues in the range of US \$5 million to US \$50 million for small companies or US \$100 million to US \$500 million for larger companies.
- **Investment Rationale:** Details the unique selling points of the business and explains why investors should consider acquiring it. Examples include recurring revenue, enterprise customers, proprietary technology or platforms, patents, etc.
- **Customer Overview:** May include a selection of notable customers, especially if they are recognized brands within the industry, to build credibility for the company.
- **Transaction Structure:** Clarifies the expected nature of the transaction, whether it involves a complete sale, a carve-out, venture financing, or other forms.
- **Consultants' Information:** States whether an exclusive consultant or a consortium of banks is handling the sale process. Contact details of the consultants are provided for potential buyers to seek additional

information or clarification.

By presenting these key elements in a well-structured and comprehensive manner, the teaser effectively introduces the target company while maintaining its confidentiality.

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This material is for general information only and is not intended to provide legal advice. If you have any questions or would like to learn more about the topic of this article or our firm's [Corporate and M&A](#) practice, please do not hesitate to contact us at info@daniilovpartners.com.

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