

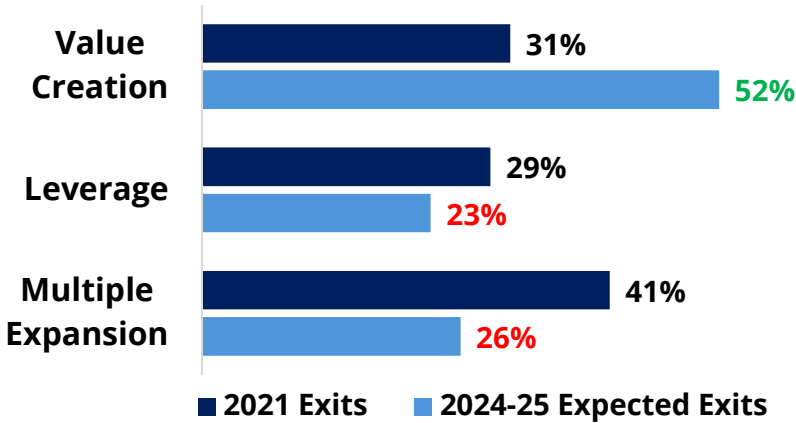


Private Equity Value Creation

A Growing Force for Deal Returns

According to a recently published EY survey, value creation is expected to be the largest contributor to deal returns in the near term.

EY Survey - Contribution of Returns on Deal Exit



Keystone's recent experience indicates that value creation through profitable growth and operational excellence is especially critical in the current environment of peaking multiples and high interest rates.

Source¹: EY PE Pulse Survey Q4-2023

Our expertise across Growth Strategy, Operations, and M&A enables us to provide end-to-end support in the development and execution of your portfolio company's value creation plan.

Value Creation Layers

Thesis

Some Ways We've Helped



Drive value from revenue growth by developing new products, acquiring new customers, and increasing share of wallet.

- Developing multi-year growth strategy roadmaps detailing strategic initiatives and implementation plans
- Salesforce compensation structure and key account management plans



Improve profitability and free cash flow through cost reductions, process improvements, and pricing optimization.

- Variable contribution margin analysis – product/customer rationalization
- Business process improvements
- Procurement spend assessments and sourcing execution



Utilize reporting, budgeting and forecasting best practices to increase visibility into financial and operational performance.

- Budgeting and reforecasting through comprehensive modeling
- Developing reporting packages and KPI dashboards
- Interim CFO, Controller, and FP&A

Value Creation Case Studies



Increased monthly production throughput by

3.5X

from bottleneck alleviation and yield improvement

Industry: Precision and decorative metal etching

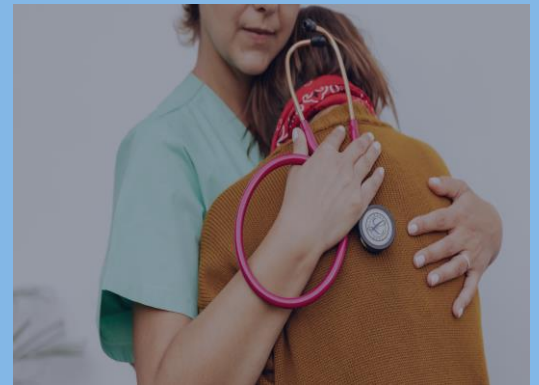
Situation: Demand surged above historical run-rates which stretched the Company's resources and exposed limitations in the operational processes. Meeting customer demand was paramount to deepening the relationship and signing a long-term agreement.

Impact: Completed a 4-week operational assessment to identify bottlenecks and the root causes of quality issues. Worked with Management to implement recommendations that alleviated bottlenecks, improved upon the SIOp process, and addressed quality problems resulting in run-rate production growing 3.5x within 4 months.

Industry: Healthcare (multi-site outpatient clinics)

Situation: Management was asked by its PE owner to develop a three-year strategy roadmap and its associated execution plan. The roadmap was also planned to be leveraged as collateral for a near-term sale process.

Impact: Developed and prioritized five key strategic initiatives based on financial impact, execution complexity and time to benefits. Worked closely with management to "operationalize" the strategy across all functions, developing implementation plans in line with the company's resources and capabilities. Developed go-forward organizational structure and projected financial results of the plan's time horizon.



Identified growth opportunities resulting in

35%

Proforma EBITDA CAGR over a three-year period