

Sodali acquires Morrow & Co.

Legal advisor to the management team and the vendor:

BAKER & MCKENZIE

Financial advisor to the management team:

SPERRY | MITCHELL

Legal advisor to the equity provider:

SEWARD & KISSEL LLP

Financial advisor to the equity provider:

MC SQUARE

Tax advisor:

RSM

TRANSACTION REPORT

Sodali Inc. & Morrow & Co. LLC join

Sodali Inc. and Morrow & Co. LLC jointly announced that Sodali has acquired Morrow & Co., creating Morrow Sodali Global - the largest independent corporate governance, proxy solicitation, investor relations, capital markets and shareholder services firm in the world. Sodali has been a global leader in such services within Europe, Latin America and other emerging markets, and Morrow & Co has been a trusted provider of these services to many of the largest publicly-traded corporations in the United States for more than 40 years.

Together, Morrow Sodali will serve more than 600 corporate clients in 30 countries, with aggregate market capitalization in excess of US\$5 trillion. The combined company will advise boards of directors and executive management teams on issues related to corporate governance, annual and special shareholder meetings, shareholder activism, strategic communications, initial public offerings and the conduct of multinational equity, debt and merger transactions. Morrow Sodali's clients also include mutual funds and stock exchanges.

"This transaction brings together two great companies with complementary strengths and expertise that will translate into substantial value for our clients," said John Wilcox, Chairman of Morrow Sodali. "Joe Morrow has built a tremendous organization with a reputation for high quality service and loyalty to clients. We look forward to building on his legacy and leveraging our collective experience and resources to serve companies of all types and sizes, wherever they are based or their stock is traded."

"Our professionals have been working for decades with a singular focus on helping corporations deal with their most complex governance and shareholder challenges," said Joe Morrow, founder of Morrow & Co. "Sodali, like us, has used a client-first, fully independent approach to become the industry leader in markets outside the U.S. Advisors on the transaction included Baker & McKenzie; Seward & Kissel; Berkeley; Altama Consulting and Alpegiani & Associati for legal and MC Square Capital LLC and Sperry, Mitchell & Company for financial.

ADVISOR INSIGHT



Tom Pogacnik has been involved in the M&A advisory field for nearly 20 years, currently as a Managing Director at Sperry, Mitchell & Company (SMC). SMC is one of the most active middle-market M&A advisory firms in the country, with a 30-year track record of representing business owners and family businesses seeking a sale or merger. He is primarily focused on marketing and executing deals across a variety of industry sectors, including Business Services, Industrial Manufacturing, and Consumer Goods. He has successfully completed over 60 deals representing more than \$2 billion in value during the course of his career.

Sodali Inc. & Morrow & Co. LLC joined. What was your specific role in assisting with the transaction?

Sperry, Mitchell & Company represented Morrow & Co. as their exclusive financial advisor. We guided Morrow & Co. through the entire process, from producing a comprehensive descriptive memorandum and presentation materials, to identifying and engaging a number of interested parties, to negotiating the final terms of the deal. Overall, we were able to generate strong interest from both financial and strategic groups, while helping our client to determine the best partner for his company, from both a cultural and a strategic fit. Since we were able to create a competitive process, our client secured an attractive valuation and favourable deal terms.

What prompted the merger?

After successfully building Morrow & Co. into one of the country's leading independent providers of proxy solicitation and corporate governance consulting services, Joe Morrow decided that it was time to explore the possibility of partnering with another like-minded firm in order to expand his company's geographic reach and service offerings, especially considering that Morrow & Co.'s clients were increasingly operating on a global stage with constantly evolving shareholder bases.

Sperry Mitchell worked in partnership with MC Square Capital LLC on the financial aspect of the transactions – how was the partnership arranged in terms of roles?

While Sperry, Mitchell & Company represented Morrow & Co. and MCSquare represented Sodali, we enjoyed a very cooperative relationship. There was never any side-taking for the sake of side-taking – we were both focused on crafting and closing a deal that would work for all parties involved. Luckily, we are both good listeners and communicators, which allowed the transaction to move forward continuously.

What were the challenges, if any, of assisting with the financial aspect of the transaction?

Our clients are typically founders and owners of private companies. It is generally vital for our clients to want to ensure that they are partnering their company with the best group possible. The last thing they want is for a buyer or investor to degrade what they have built over many years, if not decades. There was no exception with

this transaction. Our client was very deliberate and thorough in making certain that the fit with Sodali was solid, and that there was a clear understanding of what direction the combined businesses would take after the merger was completed. While this prolonged the time it took to complete the transaction, it was well worth it in terms of our client's peace of mind.

Is there anything else you would like to add?

Through the Morrow deal, as well as other recent transactions, we continue to see great interest on the part of both financial and strategic groups in acquiring or merging with privately-held businesses. Furthermore, both financial investors and strategic buyers have never had more cash for mergers and acquisitions at their disposal, leading to high valuations and attractive deal terms. As such, this is a very good market for owners of businesses to at least consider their options in terms of feeling out potential interest in their companies. We have had many clients over the past few years whose expectations were more than exceeded.

SPERRY | MITCHELL

Website: www.sperrymitchell.com