



GARY MOON

MANAGING PARTNER OF NFLUENCE PARTNERS

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Finance Monthly speaks with former tech entrepreneur Gary Moon, who turned tech investment banker 16 years ago. He is currently the Managing Partner of the boutique investment bank Nfluence Partners, which focuses on M&A and capital formation advisory across various technology, media & telecom sectors.

Q What challenges arise in advising clients on their M&A strategy given the fluctuating nature of the sector?

If you are not active in the market across a significant number of assignments, it can be difficult to understand the nuances of what drives buyer behavior in various technology sectors where valuations can range from < 1x revenues to > 16x revenues. You need strong historical understanding and pattern recognition on how technology adoption cycles impact M&A. With the lack of an IPO market, consolidation of middle market companies by the tech elites and significant increases in private equity activity in the tech sector, the dynamics of what attracts various buyers and the valuations that they will pay shift regularly as well.

Q What have been the trends in the corporate M&A sector in the US in the past twelve months?

Over the past year, we've noticed that strategic acquirers are more selective and require a higher degree of strategic value to transact. The long-term trend of pursuing companies of more meaningful scale has continued, while a mix of deal consideration to ensure management continue for several years post-acquisition is also increasing.

Q What issues can bring a deal to a standstill? How would you overcome these?

The biggest and most common issue is missing revenue forecasts. While one can be optimistic, it is more important to have a realistic set of projections that can be delivered within a few percentage points of accuracy. The other common mistake for companies that are not well advised is not getting in front of bad news. Diligence teams

are thorough and you can count on them to find any outstanding issues. Better to deal with them up front than to have a surprise as you are trying to close a transaction. Otherwise, not only will you have to deal with the issue, but you'll also have to deal with the breakdown of trust given the lack of disclosure.

Q What advice would you give to a company considering a potential merger or an acquisition?

Make sure that the most likely companies to acquire you know who you are in advance through partnership or other market-based activity. The majority of transactions happen between companies that know each other in advance. It

also provides you potential competitors in the sale process, as you do not want to be in a position where you are only negotiating with a single party for your acquisition.

Q What are the companies that Nfluence works with?

We work with expansion and growth stage companies across a number of sectors within TMT including both venture ecosystem and entrepreneurially financed. We are also excited about working with growth stage companies in the purpose economy - mission-aligned and/or impact-driven. These companies tend to have unique requirements from capital formation to acquisition and liquidity.



About Gary Moon & Nfluence:

Spun out in 2018, Nfluence was originally founded in 2011 as the Technology, Media & Telecom (TMT) group at Headwaters MB. Gary Moon and his partners built Headwaters into a top 10 technology-focused boutique investment bank ranked by closed transactions in 2017. Over the past 12 years, Gary and the senior team at Nfluence have managed the completion of nearly 200 transactions, repeatedly demonstrating tenacity, creativity and effectiveness on behalf of their clients. Gary has been a strategic and financial adviser to numerous technology and growth firms and has extensive experience with both institutionally financed and founder financed ventures. Gary has advised on client exits to such prominent companies as AT&T, Cisco, Equifax, Microsoft, Nuance, Tyco International and WeWork, and has helped firms raise growth capital and complete private equity recapitalizations from name brand institutional investors.

Prior to joining Headwaters, Gary was the Managing Director of Europe for Ridgecrest Capital Partners, a boutique investment bank focused on technology mergers & acquisitions. In this capacity, Gary led the efforts of the firm in growing the European practice which ultimately comprised a significant percentage firm's revenues. Prior to joining Ridgecrest, Gary led the Mobile, Wireless and Communications Technology practices for Viant Capital, a boutique investment bank in San Francisco. Prior to embarking on his advisory career, Gary was the founder and CEO of Luna Communications, a North American focused wireless systems integration firm. Luna Communications was sold to a publicly traded competitor, where Gary became the CTO and Managing Director of Client Services.