

“Krista enables us to scale by enabling us to find the right opportunities, faster, than traditional approaches.” – **Billy Birdzell, Managing Director, Horatius Group**

Key Points

- Two-thirds of privately-held companies that have achieved scale are owned by retiring Baby Boomers who would like to sell in order to retire
- Less structured comparable company data increase the challenge of accurate due diligence for acquisition business cases
- Krista's Intelligent automation & AI increases Horatius' effectiveness and lowers financial risks in executing acquisition transactions

About Horatius Group

The market is at an all-time low for privately held companies seeking to transfer the executive leadership to the next generation in the family. This low means the market is at an all-time high of privately-held companies willing to transfer company ownership to a third party. More than 150,000 privately held companies are in the lower middle market, and baby boomers own about two-thirds of them.

Horatius Group is a boutique investment bank that focuses on M&A transactions with founder-owned companies across the lower middle market. The lower middle market represents companies with revenue between 10 and 150 million dollars.

"We focus on founder-owned companies because it is incredibly rewarding to be of service to those who have overcome tremendous odds and preserved over a long time. Additionally, our roots in Special Operations create the most value in the lower middle market because we understand how to turn traditional weaknesses into asymmetric strengths," said Billy Birdzell, Managing Director, Horatius Group.

HORATIUS GROUP

Project Milestones

Full rollout over 6 weeks

- Automate ML-powered research data collection and analysis.
- Identify top M&A targets with ML, NLP, and OCR.
- Create financial models by structuring data from PDF presentations and images.
- Create company owner and management profiles using unstructured public and private data

AI Helps Us Make Better Decisions

We are using AI to help evaluate the 150,000 companies that span our focus sectors. Krista and its chief data officer have unique experience using machine learning and artificial intelligence with limited data sets on low volume, high consequence transactions. Using technology and ML to find intelligence is the next frontier in the space. Years from now, everyone will be doing this. Today, other banks still use teams of MBAs to populate spreadsheets with information that they source manually.

Krista Enables a Faster Time to Value

In the public markets, especially for companies listed on the S&P 500, data has been democratized via free sites that include analyst coverage from the largest financial institutions in the world. For example, we now have financial data built into Excel via Microsoft's relationship with Refinitiv. In private markets, however, control transactions are less frequent, and specifics are hard to find, creating asymmetries between buyers and sellers.

The value for us is prioritizing the hours to turn unstructured data into a product that allows us to evaluate a particular company and then accurately present that company to potential acquirers. Krista will enable us to digest data, both text, and numbers, to structure data to make decisions using AI and ML. Krista augments knowledge-based work and helps our firm make the best use of time and available information.

Krista Will Help Us Scale and Maintain Margin at a Consistent Overhead

Krista will enable us to scale, find the right opportunities, and help us to increase and maintain higher margins. We are going to be able to do more deals than before with less overhead. Krista will enable our decentralized workforce to successfully compete with more prominent investment banks that have lower costs of capital and larger teams. We are small, so using technology like Krista levels the playing field so that we can deliver the best value to our clients, the companies and their families.

Bill Birdzell, Managing Director, Horatius Group

Krista Software is powering a digital transformation no less impactful than the industrial revolution. We create technology that understands people™. Krista is the world's first automation platform that uses conversation as its programming language and requires no user training to adopt.



Krista