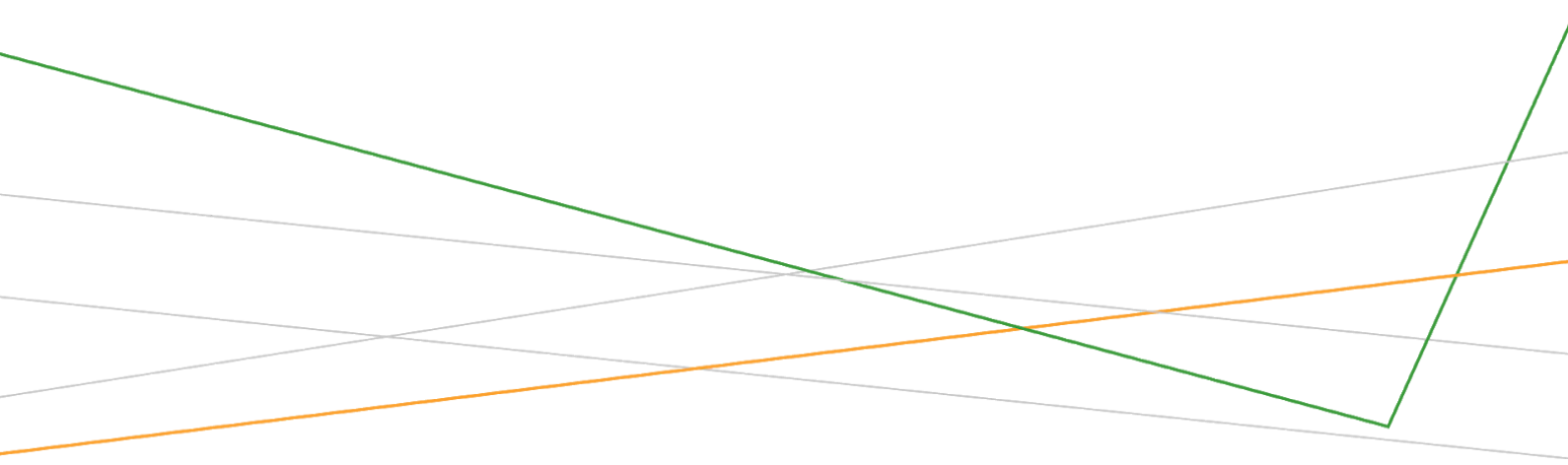


# Company XYZ



## Deal Analysis

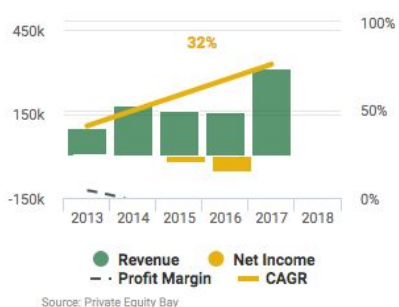
CLIENT XXXX



# Company XYZ

## Summary Financials

XYZ is a Brazilian company in the Y sector with BRL 311.5 mn in Revenues (as of Dec. 2017). It has been growing 32% CAGR since 2013. While the company had negative EBITDA in 2015 and 2016, it recovered to BRL 31.7 mn in 2017 resulting in EBITDA margin similar to 2014 (10.2%). Company's net debt closed 2017 at BRL 111.5mn. While this represents 3.5x EBITDA, covenant rules requires a reduction to 2.5x in 2018.



Income Statement	2018	2017	2016	2015	2014	2013
Revenue	-	311.577	158.109	161.693	180.210	102.094
Gross Profit	-	60.687	(-11.651)	6.782	37.404	22.924
EBITDA	-	31.698	(-47.200)	(-4.897)	18.070	4.488
Net Income	-	(-3.670)	(-53.139)	(-21.954)	(-3.377)	4.376

Vertical Key Ratios	2018	2017	2016	2015	2014	2013
Profit Margin	-	(-1.2%)	(-33.6%)	(-13.6%)	(-1.9%)	4.3%
EBITDA Margin	-	10.2%	(-29.9%)	(-3.0%)	10.0%	4.4%
Liabilities/Assets	-	73.4%	74.0%	65.3%	59.6%	77.3%
ROE	-	(-4.8%)	(-66.1%)	(-26.2%)	(-3.4%)	10.5%

## Private Equity Shareholders

The company is controlled by ABC Investments (68.7% of shares) through ABC Investments L.P. a fund which also invested in companies, I, II and III. With the stake in XYZ valued at 109.7mn, the company represents 7.4% of ABC X in Brazil.

DEF Investments was the first private equity investor in the company. In 2017 GHI Investments also joined acquiring 5.82%. Founder Mr. B holds 22.37%.

Ownership						
.....	-	5.8%	-	-	-	-
.....	-	-	-	27.5%	43.6%	43.6%
.....	-	68.7%	71.4%	42.8%	40.7%	-

## Club Deal XYZ (DEF Investments)

DEF invested in April 2012 by acquiring 76.47% of preferred shares (equivalent to 30.4% of stock) for BRL 13 mn, representing a post-money equity valuation of BRL 42.7mn and EV/Revenues of 2x. In July 2013 ABC increased its participation to 43.55% with additional BRL 22.7mn invested at the same EV/Revenues. The fund sold all of its interests in November 2016 for BRL 28mn: 18 mn in cash and 10mn in debentures liquidated during 2017 with a small gain. The end result was a loss of 20%.

Company Name	Sector	Initial Date	Exit Date	Participation	Total Invested	Net Asset Value	Proceeds	Investment Multiple	Hold Period	IRR		
.....	.....	12/04/2012	31/12/2017	-	36.500	100%	0	29.622	100%	0.8	5.7y	(-5.5%)

## ABC Investments X L.P

ABC Investments started investing in Company XYZ in November 2014 by acquiring a 40.73% stake for BRL 79mn. The equity was valued at BRL 194 mn (post-money) representing an EV/Revenues of 1.5x and an EV/EBITDA of 13.7x. Since then and up to December 2017 ABC Investments invested a total of BRL 141.3 mn. ABC values the equity at BRL 159.7 mn in 2017 or 0.9 EV/Revenues and 8.6x EV/EBITDA. ABC's valuation is based on multiples of EBITDA. So far the deal represents a loss of 20% to ABC Investments as well. ABC invested another BRL 30 mn increasing its participation is estimated at 73.29%, stake valued around BRL 145 mn.

Company Name	Sector	Initial Date	Exit Date	Participation	Total Invested	Net Asset Value	Proceeds	Investment Multiple	Hold Period	IRR		
.....	.....	13/11/2014		68.7%	141.415	100%	109.749	100%	0	0.8	4.5y	(-8.6%)

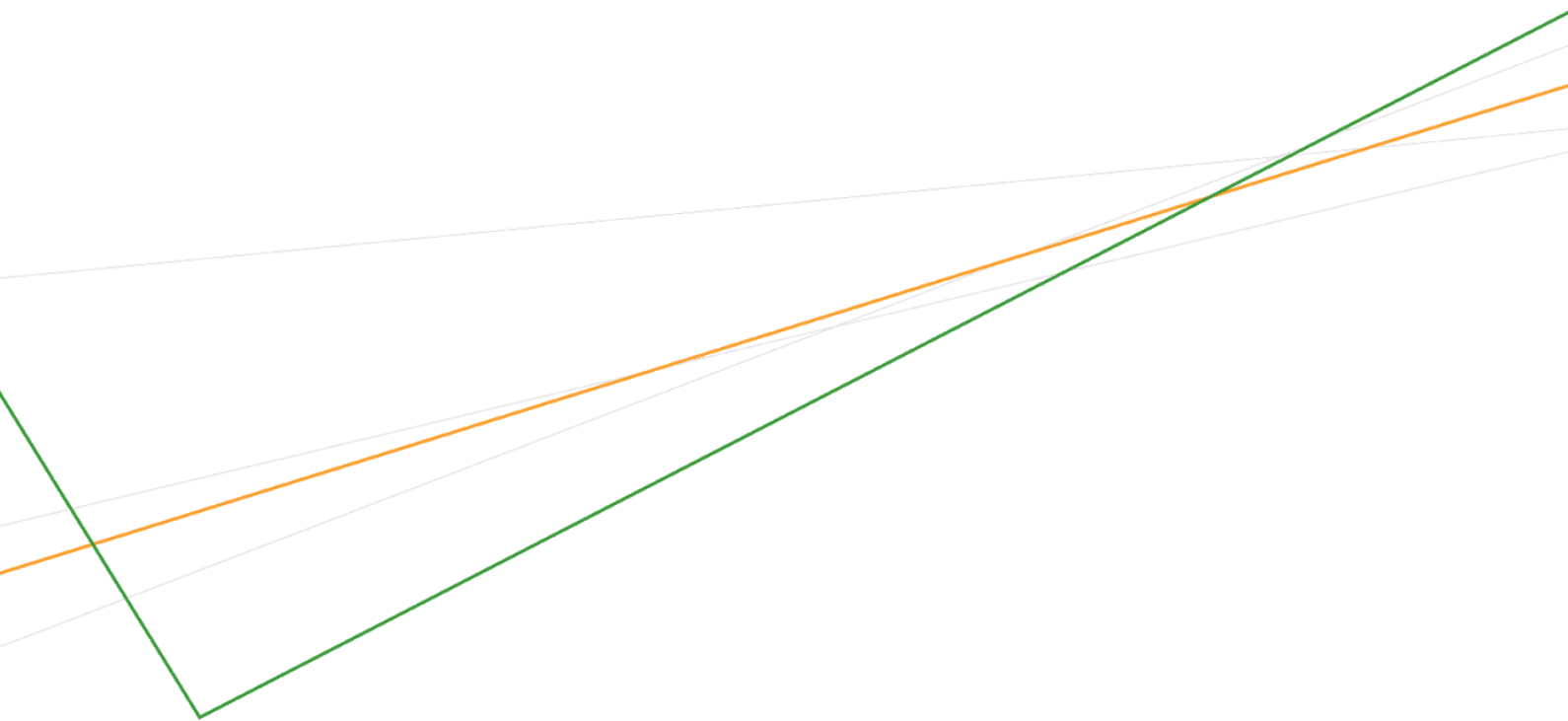
It is important to remind that in December 2017 GHI Investments acquired a 5.82% stake for BRL 7.5 mn at a post-money equity value of BRL 129 mn (7.6 x EV/EBITDA and 0.8x EV/Revenues). ABC Investments end-year valuation of Company XYZ is 23.8% higher at 8.6x EV/EBITDA and 0.9x EV/Revenues.

## Valuation Table

	Indicator	2012	2013	2014	2015	2016	2017	2018 (e)
<b>Company XYZ</b>	Revenues	24.192	102.094	180.210	161.693	158.109	311.577	
	EBITDA	-8.325	4.488	18.070	-4.897	-47.200	31.698	
	Net Debt	5.403	104.014	54.239	49.668	107.008	111.493	
	Net Debt/EBITDA	-0,6	23,2	3,0	-10,1	-2,3	3,5	
<b>DEF Investments</b>	Investment NAV	13.000	45.446	47.333	48.547			
	Participation	30,40%	43,55%	27,52%	26,03%			
	Equity Value	42.763	104.354	171.995	186.504		-	
	Eq./EBITDA	-5,1	23,3	9,5	-38,1			
	EV/EBITDA	-5,8	46,4	12,5	-48,2			
	EV/Revenues	2,0	2,0	1,3	1,5			
<b>ABC Investments</b>	Investment NAV			79.038	79.208	87.586	109.672	145.000
	Participation			40,73%	42,80%	71,44%	68,67%	73,29%
	Equity Value			194.054	185.065	122.601	159.709	197.844
	Eq./EBITDA			10,7	-37,8	-2,6	5,0	
	EV/EBITDA			13,7	-47,9	-4,9	8,6	
	EV/Revenues			1,4	1,5	1,5	0,9	
<b>GHI Investments</b>	Investment NAV						7.500	11.818
	Participation						5,82%	5,89%
	Equity Value						128.866	200.645
	Eq./EBITDA						4,1	
	EV/EBITDA						7,6	
	EV/Revenues						0,8	
<b>Average</b>	Equity Value	42.763	104.354	183.024	185.785	122.601	144.287	199.245
	Enterprise Value	48.166	208.368	237.263	235.453	229.609	255.780	

## News

- Dec. 2018: Company XYZ Acquires Company QRS



## About Private Equity Bay (Pebay)

Private Equity Bay (Pebay) is the PE intelligence platform specialized in PE, Real Estate, Infrastructure and similar investments in Brazil. Pebay tracks and analyzes performance of more than 690 funds, of approximately 316 managers, as well as more than 1.890 invested companies and projects with data on investments, financials and valuations. All based on the highest standards of quality and reliability. With Pebay investors can better monitor their investments, compare performance, originate opportunities, access the secondary market and reduce time spent with search and treatment of information.