Candidate exhibit excerpt

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TRANSACTION OVERVIEW

Seller objectives and transaction process

The selling shareholder proposes a transfer of all operating assets and the assumption of normal trading liabilities. The facility lease, operating team and distribution contracts form part of the business. No binding buyer price, exit multiple, base rate, buyer hurdle or sponsor commitment has been provided in this memorandum. Management is willing to discuss the extent of its transitional involvement after an initial indication. No customer is required to purchase a minimum volume if ownership changes.

Transaction item	Process assumption
Operating valuation	Buyer recommendation
Existing seller debt	Excluded from enterprise purchase price
Trade working capital	Ordinary-course operating balances
Purchase asset basis	Potential goodwill step-up
New acquisition financing	Buyer to arrange
Facility	Continue third-party lease

Management’s preferred closing includes a normal balance of trade receivables, inventory and payables. A working-capital target and adjustment process have not been negotiated. The seller's balance sheet is presented on a transaction basis. The quality-of-earnings pages describe the related adjustments.

Keelway Motion Systems

72-Hour Take-Home LBO & Four-Case Investment Memo

From the assignment

Build a three-statement LBO from a blank workbook. Prepare management, realistic base, upside and downside cases. Document the operating assumptions and drivers behind each case.

Submission window

Submit within 72 hours of receipt.

What you submit

Three-statement LBO with management, base, upside and downside cases. PDF investment memorandum in the authoring format of your choice.