

Backdrop: Low Growth / High Prices

Assumptions	Yesterday's Deal	Today's Deal
Purchase / Exit Multiples ⁽¹⁾	8.0x / 8.0x	10.0x / 10.0x
Leverage	4.5x	6.0x
5-Yr Revenue / EBITDA Growth	5% / 8%	5% / 8%
IRR / MOI ⁽²⁾	Base Case	18% / 2.3x
	Lower Growth OR Lower Exit Multiple*	10% / 1.6x
	Lower Growth AND Lower Exit Multiple*	1% / 1.1x

*Lower growth case assumes 4% 5-Yr revenue and EBITDA CAGR

*Lower exit multiple case assumes purchase @ 10x and exit @ 8x

What do we look for?

Enduring Value

- **Market leader with sustainable competitive advantage**
 - **Low concentration** (customer, supplier, end market)
 - **High barriers to entry** (large / established installed base, proprietary IP)
- **Strategically attractive business**
 - **Scarce and strategically important asset to strategic buyers**

Growth

- **Motivated & aligned management**
- **Multiple growth levers**
 - **Large addressable market**
 - **Secular tailwinds**
 - **Fragmented competitive landscape** (acquisition opportunities)
 - **Global / geographic expansion opportunities**
 - **Pricing**
 - **Commercial development** (new customers, new products)