



Prospectus: Melbourne

The name Melbourne corresponds to a general identification; specific information will be provided after the signing of a confidentiality agreement.



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General information

POS Software

Its main product is a point-of-sale system, which is complemented with an ERP platform that integrates the different information systems of a business in order to maximize process efficiency and reduce administrative costs. This last one includes areas such as sales, client relations, purchases, inventory, accounting, etc.

It also has a QMS tool focused on quality management and provides general IT consulting services. The firm develops its own software, which allows it to tailor its solutions internally.

Headquarters location



Commercial Partners



Differentiators

- 1 High specialization in retail and fast food.
- 2 Fast implementation and integration of complementary modules.
- 3 Capacity of integration with other ERP systems.

Main products

POS Software

This tool integrates easily with SAP and other ERPs, which allows it to target a market that is currently unattended due to cost and size. It represents around **66%** of sales.

QMS Software

It is a quality management system that helps businesses to comply, apply norms and improve the expectations of clients in a profitable and efficient way.

Currently, businesses such as OXXO, Gruma and EGADE Business School use this tool to improve their quality processes.

Current clients

POS Software Clients



QMS Software Clients



Industry description

Point-of-sale ERP's

This is the main niche in which the business competes. Given its experience and current infrastructure, the firm can provide competitive services and solutions at a national level.



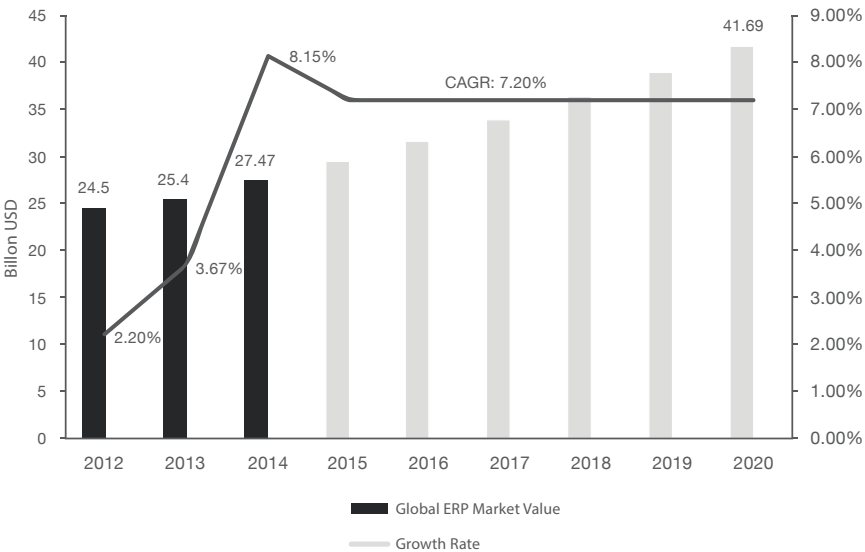
Partnerships

Businesses inside the industry tend to establish partnerships for the distribution of their product, as well as to give customer support.

Acquisition of other businesses

Firms such as SAP, Microsoft and Oracle tend to integrate vertically by acquiring other businesses that develop ERP systems.

Trend of the Global ERP Market

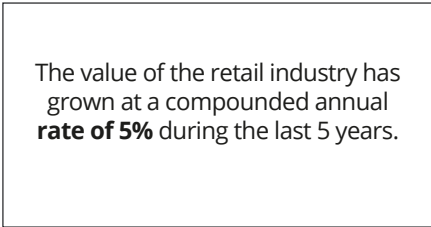
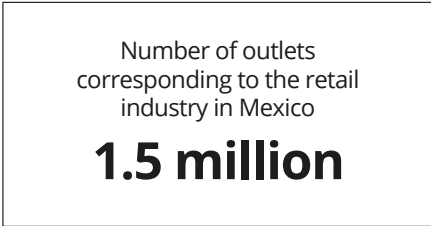


Source: Gartner / Allied Market Research

Mexican market

Market share in Mexico

Industry data (2015)



Barriers to Entry

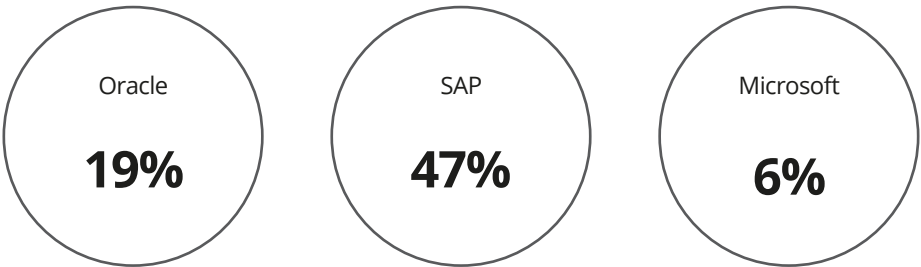
Time, cost and experience of ERP software development.

Reputation:
It is difficult to acquire clients without a solid brand or important clients who back the firm's products.

Firms such as SAP and Oracle already offer tailored solutions for different market niches.

Switching costs.

Mexican market share



Source: Euromonitor / Government of Canada

Main competitors

Direct competition



Indirect competition



Other business aspects

Due to the nature of the products it offers, the firm can increase its sales while maintaining its fixed costs relatively stable, which allows it to generate attractive profit margins.

The firm does not incur in significant product distribution expenses and can generate new sales channels through strategic alliances with distributors such as IBM and Alestra.

Long-term software lease contracts.

It is costly for businesses to change their POS systems due to the time and initial cost of license installation.

The industry presents attractive exit multiples.

Information on industry transactions

Transaction volume / Value & Multiples: January 1, 2013 to June 20, 2015

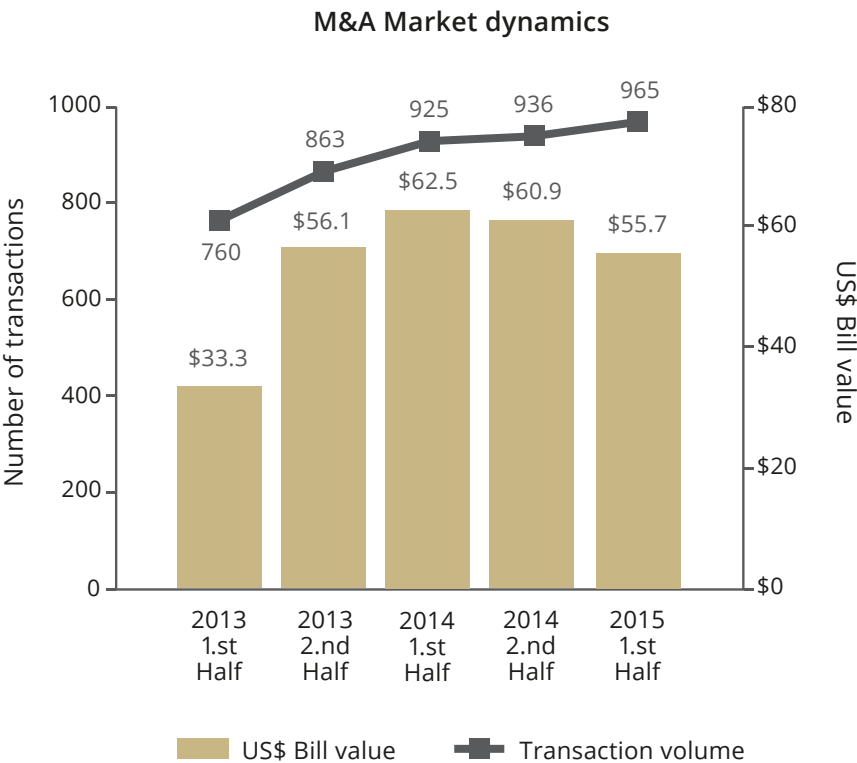


Figure 1. 2013-2015 value and volume comparison

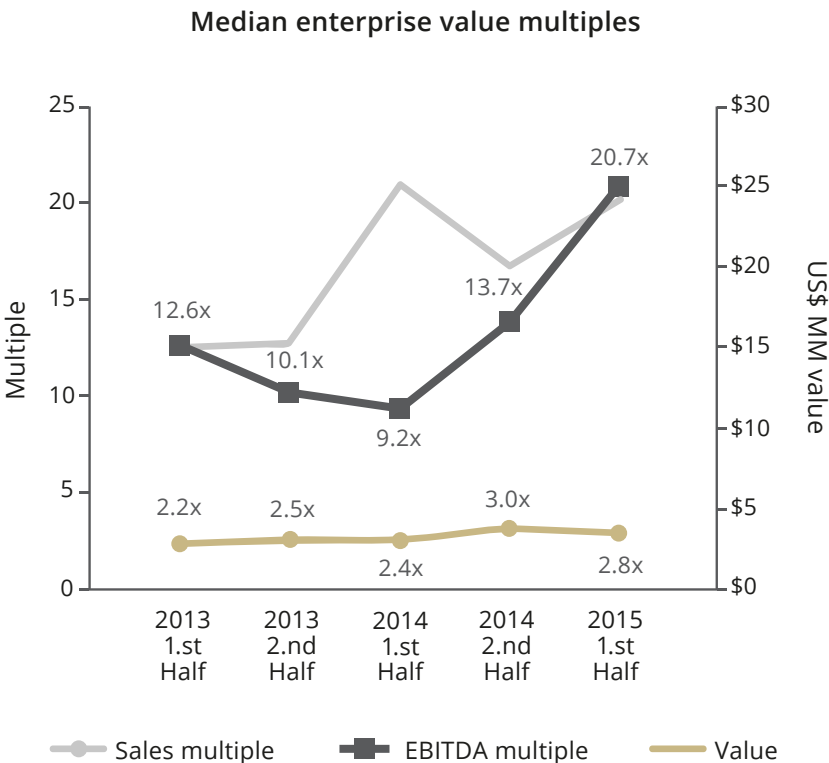


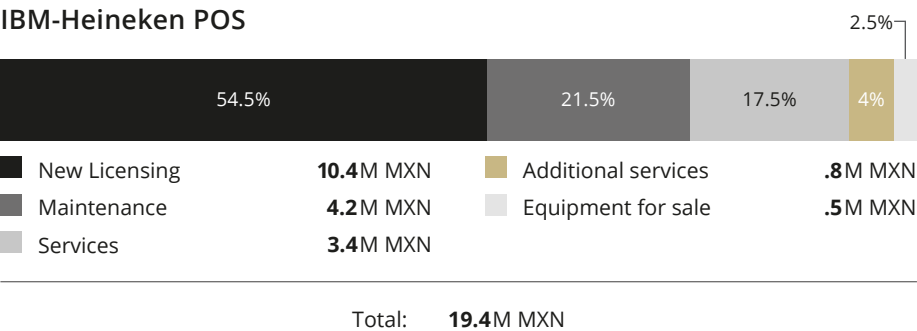
Figure 2. 2013-2015 median comparison: value, income and EBITDA

Source: BerkeryNoyes

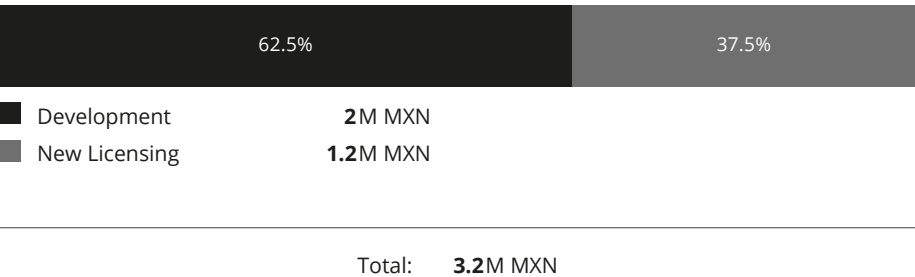
Sales projections 2016

Clients with the highest contribution to sales

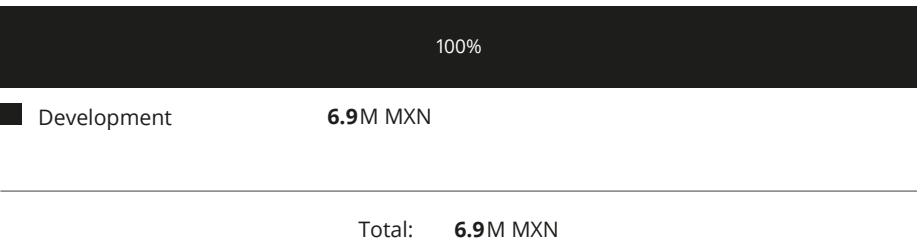
IBM-Heineken POS



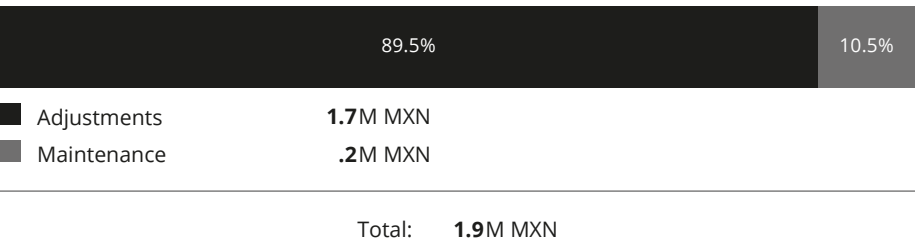
Helados Sultana POS



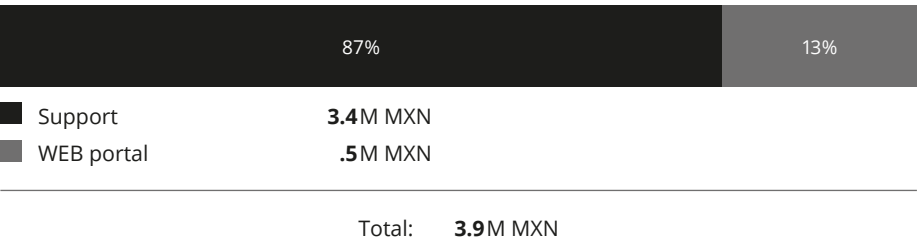
CCM2 POS



Gilsa ERP



Promax ERP



Guaranteed sales
at March 2016

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46.9M

Projected expenditures 2016










Breakdown of expenses

Concept	Value \$ MXN	%
Labor	11,280,600	59.2%
Debts	3,051,043	16.0%
SAT	1,364,643	7.2%
Supporting services	1,058,316	5.5%
Project expenses	965,841	5.1%
HR expenses	487,646	2.6%
Office lease	246,286	1.3%
Representation expenses	214,688	1.1%
Marketing	152,184	1.0%
Hardware & software	133,589	1.0%
Telecommunications	82,409	0.4%
Credit cards	15,630	0.1%
Total	19,052,875	100%

Note:

These expenditure projections are based on the sales assumptions projected on the previous slide.

Current firm personnel

Administration	 x3	Technicians	 x6
Support	 x3	Consultants	 x13
Commercial	 x5	QA	 x5
Direction	 x1	Systems	 x3
Development	 x22		

 Total: 61

All employees, including the director, are hired through an outsourced payroll.

Expected 2016
Net Profit Margin

40.5%

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