



# Prospectus: Lisbon

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August, 2015

 **EFM Capital**

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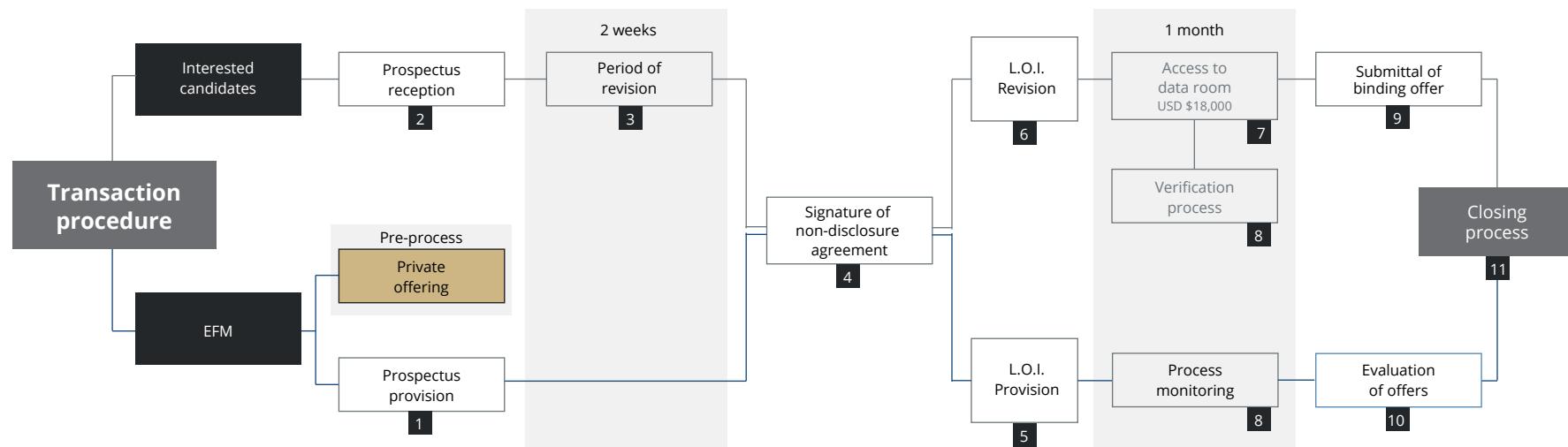
# EFM Capital

Our expertise lies in enabling businesses to be targets of private equity sourced by investment funds, strategic buyers or family offices. We define ourselves as a “Bridge Fund”, given that we facilitate and establish the bond between a family-owned business and the private equity or venture capital sectors.

The business owner who decides to bring strategic partners, or sell his company, specifies a search mandate and establishes a collaboration agreement with us in order to correct contingencies of several areas of the business, such as sales, financial, labor, tax and legal. According to the

specific needs of our clients, we provide a flexible partnership structure in which we acquire equity from the legal entity, place convertible debt or obtain a preferential call option with an agreement to deliver the service.

To the professionals of the M&A sector, we provide access to a pipeline of audited businesses, ready to receive investment, and a platform of structured information that eases the due diligence process. Our team of specialists provides specific details about the conditions under which the company operates in all areas of business. Currently, EFM Capital focuses on industries, such as medical, energy, telecom and retail.



Note: Please contact us at [info@efmcapital.com](mailto:info@efmcapital.com) for a more detailed procedure

# Overview

Leading Mexican enterprise in the sale and distribution of dental health supplies and equipment; it has more than 17 years of experience in the sector and more than 900 costumers.

The company serves as reference for the market; it is an active member of the Mexican Dental Association, and it distributes more than 20 globally known brands. Above 50% of its sales come from international products with which it holds exclusive distribution all along the Mexican territory.

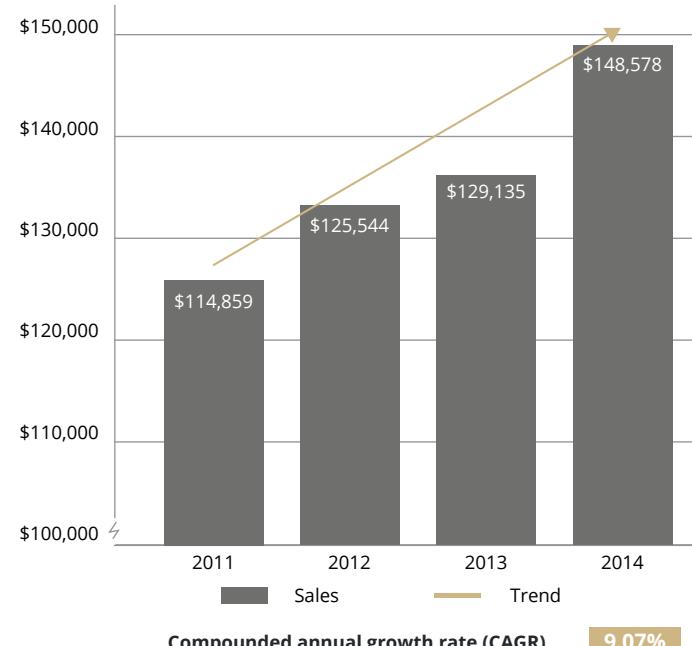


- A Compliance with all Health Laws and Regulations
- B Possesses all required authorizations and permits issued by COFEPRIS<sup>1</sup> for all products it markets and distributes
- C Authorized to operate as a warehouse for dental and medical products by health authorities
- D Registered as an importer for dental and medical products

0: Mexican Central Bank

1: Federal Health Protection Commission

Trend of sales (thousands of MXN Pesos)



Compounded annual growth rate (CAGR)

9.07%

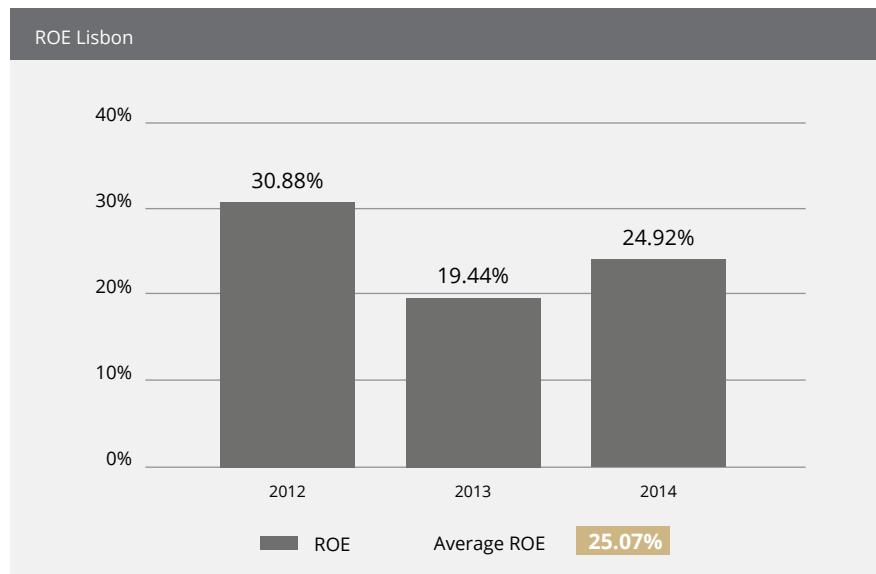
Annual sales in 2014 grew at a double-digit, mainly because an increasing aggregate demand for its products.

## Sales value growth composition

	2012	2013	2014
<b>Sales increase</b>	9.29%	2.86%	15.06%
Increase in average prices	5.30%	-.51%	2.81%
Increase in volume	3.99%	3.37%	12.25%

# Financial performance

Lisbon profitability indicators	2014
<b>Profit margin:</b>	13.88%
<b>Asset turnover:</b>	1.35
<b>Equity multiplier:</b>	1.33
<b>ROE<sup>2</sup>:</b>	<b>24.92%<sup>3</sup></b>
<b>Average WACC<sup>4</sup> of Industry:</b>	8.76% <sup>5</sup>



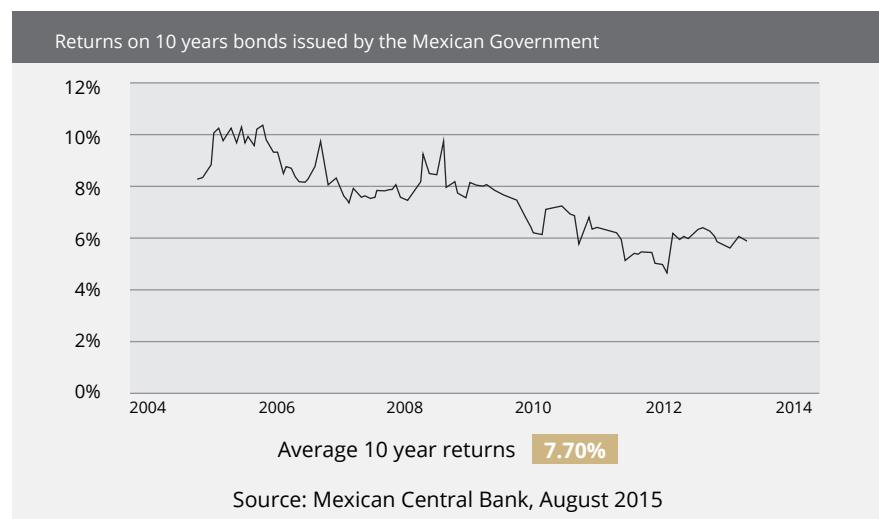
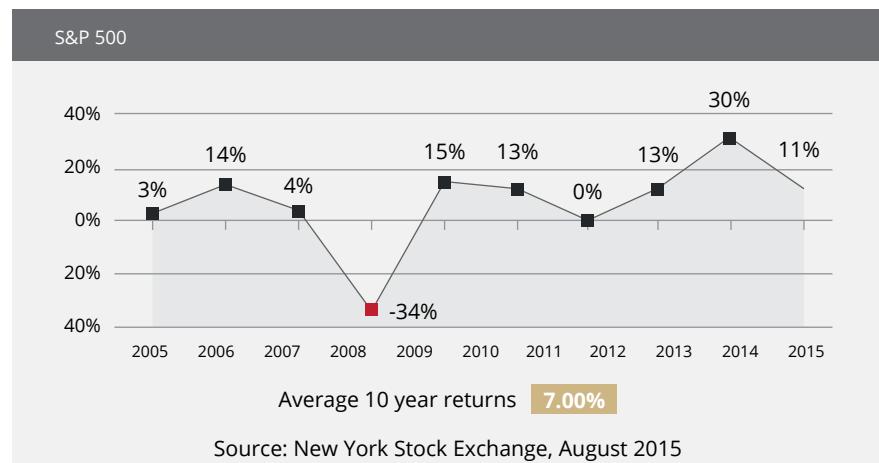
2: Return on Equity

3: DuPont Method

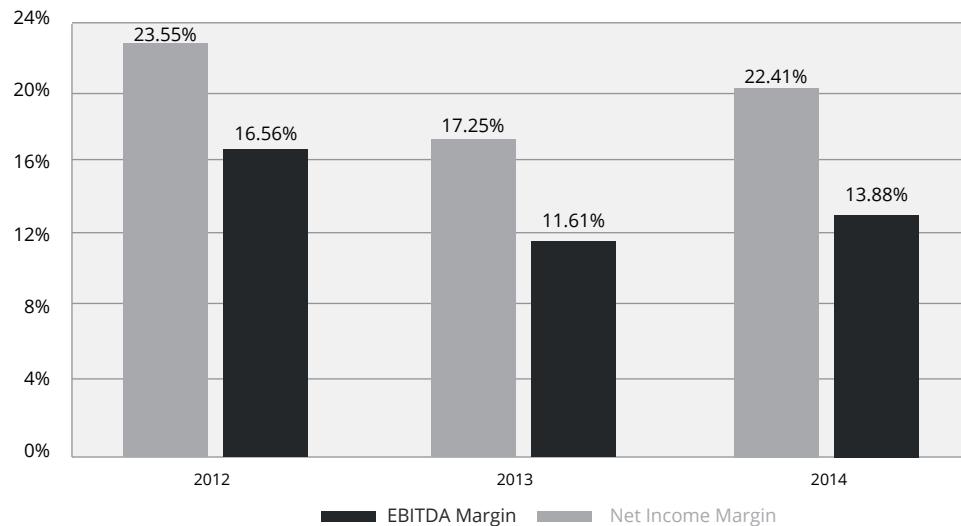
4: Weighted average cost of capital

5: Obtained from a sample of public companies (Bloomberg data base, June 2015)

The company's liabilities equal 25% in terms of total assets; this leverage derives exclusively from accounts payable (non-interest bearing liabilities). The latter is highlighted by an equity multiplier ratio of 1.33 ( $1/1.33 = .75$ )

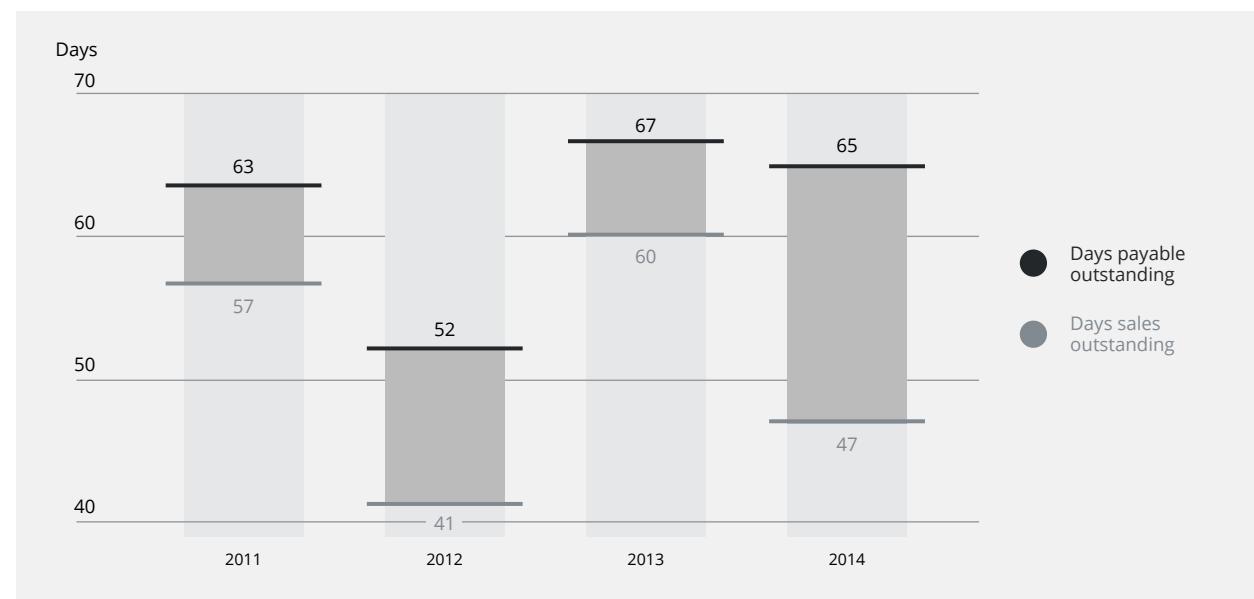


# Performance summary



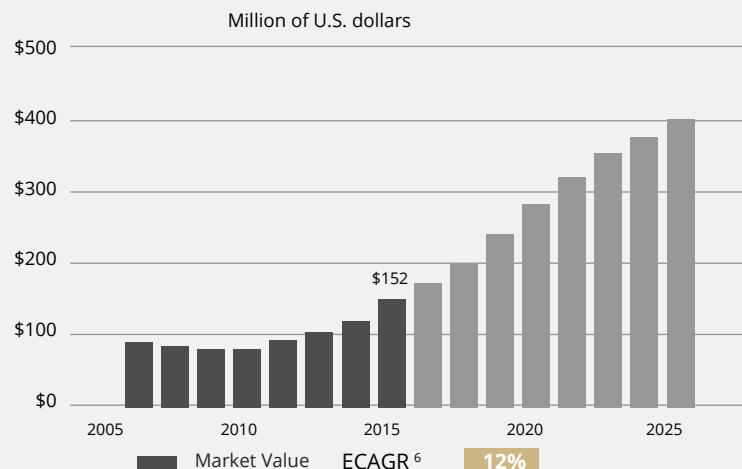
Thousands of MXN Pesos	2012	2013	2014
<b>Sales</b>	125,544	129,135	148,578
<b>EBITDA</b>	29,568	22,283	33,292
<b>Net Income</b>	20,781	14,983	20,620

Positive cash flow creation resulting from a time surplus of accounts receivable over short-term liabilities; the former are being obtained before the later are being paid.



# Data on the industry

Market value of dental supplies and equipment in Mexico



Source: Business Monitor, July 2015

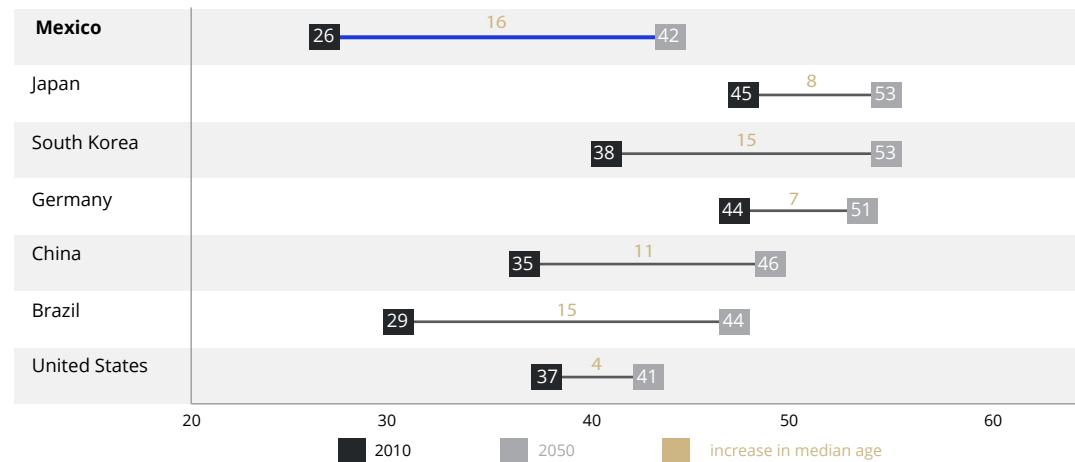
With a market value of USD\$152 million, the dental supplies and equipment sector in Mexico has an expected compounded annual growth rate of 12% from 2015 to 2023.

Number of registered dentists	70,000
Number of dentistry faculties	120
Number of graduates (annually)	5,000

Source: Asociación Dental Mexicana, June 2015

Mexico is expected to become the country with the greatest increase in the median age of its population. This, in turn, will cause an increase in the demand for dental services, given that there is a strong correlation between the average age of the population and the demand for dental health services.

6: Expected compounded annual growth rate  
(8 year projection)



Source: United Nations, Department of Economic and Social Affairs. Prospects of global population, June 2013

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