

# LBO Summary Dashboard

Deal Summary		Leverage & Coverage Metrics		
	Sample Co.	Year	Debt/EBITDA	EBITDA/Interest
Target Company	Sample Co.	1	5.3x	1.8x
Entry Year	0	2	4.6x	2.0x
Exit Year	5	3	4.0x	2.2x
Holding Period	5 years	4	3.3x	2.6x
Entry EV (₹M)	₹ 7,000	5	2.7x	3.1x
Exit EV (₹M)	₹ 11,274			
Entry EBITDA	₹ 700			
Exit EBITDA	₹ 1,127			
Exit Multiple	10.0x			
Returns Summary		Capital Structure		
MOIC	2.8x	Revolver	₹200 (2.8%)	
IRR	23.2%	Bank Loan	₹2,500 (35.2%)	
Sponsor Equity at Entry	₹ 2,900	Senior Notes	₹1,500 (21.1%)	
Sponsor Equity at Exit	₹ 8,242	Sponsor Equity	₹2,900 (40.8%)	
		Total	₹7,100 (100%)	

  

Sensitivity: IRR vs. Exit Multiple						
	8.0x	9.0x	10.0x	11.0x	12.0x	13.0x
IRR (%)	15.6%	19.7%	23.2%	26.4%	29.3%	32.0%

## Key Takeaways

- The LBO assumes a **5-year holding period** with no multiple expansion: both entry and exit at **10.0x EBITDA**.
- The deal structure includes **₹4,200M in debt** (59%) and **₹2,900M in sponsor equity** (41%) at entry.
- MOIC of 2.8x** and **IRR of 23.2%** are achieved through consistent EBITDA growth and disciplined debt paydown.
- Sponsor equity grows** from ₹2,900M to ₹8,242M, driven by operational improvement and deleveraging.
- Debt/EBITDA improves** from **6.0x to 2.7x**, showing strong leverage reduction over the investment period.
- Interest coverage (EBITDA/Interest)** expands from **1.8x to 3.1x**, reflecting stronger cash flow and reduced credit risk.
- IRR sensitivity to exit multiple ranges from **15.6% at 8.0x** to **32.0% at 13.0x**, highlighting the impact of exit timing and valuation assumptions.
- The model does **not assume dividend recaps** or multiple expansion, keeping returns conservative and operations-driven.
- Capital structure includes **senior secured debt (bank loan)** and **subordinated senior notes**, a common LBO layering.
- Deleveraging is driven by free cash flow sweep; no equity injections or refinancing assumed.

# LBO MODEL

All figures in Millions

## Assumptions

Financials	
<b>LTM</b>	
Revenue	2000
COGS	900
OpEx	500
D&A	100
NWC	200
CapEx	140

Entry	
LTM EBITDA	700
Entry Multiple	10.0x
<b>Enterprise Value</b>	7000
Existing Net Debt	1000
<b>Equity Value</b>	6000
<b>Fees &amp; Expenses</b>	100

Capital Structure	Amount	Interest
Revolver	200	7.5%
Bank loan	2500	9.5%
Senior Notes	1500	12.5%
<b>IRR (For Reference)</b>		
MOIC		2.8x
IRR		23.2%

Operating Assumptions	
Revenue Growth	10.0%
Tax Rate	21.0%

Exit	
Exit Multiple	10.0x

Holding Period (Years) 5

Sources & Uses			
Sources			
Amount	xEBITDA		
Revolver	200	0.3x	2.8%
Bank loan	2500	3.6x	35.2%
Senior Notes	1500	2.1x	21.1%
<b>Total</b>	<b>4200</b>	<b>6.0x</b>	<b>59.2%</b>
Sponsor Equity	2900	4.1x	40.8%
<b>Total Sources</b>	<b>7100</b>	<b>10.1x</b>	<b>100.0%</b>

Uses	
Debt Refinancing	1000
Equity Payment	6000
Fees & Expenses	100

**Total Uses** 7100 10.1x 100.0%

Financials	
Operating Model	
Revenue	Year 0
% growth	2,000
	10.0%
COGS	Year 1
% sales	900
	45.0%
Gross Profit	Year 2
% sales	1,100
	55.0%
OpEX	Year 3
% sales	500
	25.0%
EBIT	Year 4
% sales	600
	30.0%
D&A	Year 5
% sales	100
	5.0%
EBITDA	
% sales	700
	35.0%
Interest	
	440
EBT	
% sales	220
	30.0%
Tax	
Tax Rate	126
	21.0%
Net Income	
% sales	46
	21.0%
	62
	21.0%
	80
	21.0%
	101
	21.0%
	125
	21.0%
	474
	23.7%
	174
	7.9%
	232
	9.6%
	301
	11.3%
	380
	13.0%
	472
	14.7%

Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
2,000	2,200	2,420	2,662	2,928	3,221
10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
900	990	1,089	1,198	1,318	1,449
45.0%	45.0%	45.0%	45.0%	45.0%	45.0%
1,100	1,210	1,331	1,464	1,611	1,772
55.0%	55.0%	55.0%	55.0%	55.0%	55.0%
500	550	605	666	732	805
25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
600	660	726	799	878	966
30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
100	110	121	133	146	161
5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
700	770	847	932	1,025	1,127
35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
440	432	418	397	369	
220	294	380	481	597	
10.0%	12.2%	14.3%	16.4%	18.5%	
126	46	62	80	101	125
21.0%	21.0%	21.0%	21.0%	21.0%	21.0%
474	174	232	301	380	472
23.7%	7.9%	9.6%	11.3%	13.0%	14.7%

Cash Flow Items	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
D&A	100	110	121	133	146	161
% sales	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Net Working Capital	200	220	242	266	293	322
% sales	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Change in Net Working Capital	20	22	24	27	29	29
CapEx	140	154	169	186	205	225
% sales	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%

Leveraged Free Cash Flow	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Net Income	174	232	301	380	472	
D&A	110	121	133	146	161	
CapEx	154	169	186	205	225	
Change in NWC	20	22	24	27	29	
<b>Leveraged Free Cash Flow</b>	<b>110</b>	<b>162</b>	<b>223</b>	<b>295</b>	<b>378</b>	

Debt Schedule	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Revolver</b>						
Beginning Balance	200	90	0	0	0	0
Interest	15	7	0	0	0	0
Paydown	110	90	0	0	0	0
<b>Ending Balance</b>	<b>200</b>	<b>90</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Bank Loan</b>						
Beginning Balance	2,500	2,500	2,428	2,205	1,910	
Interest	238	238	231	209	181	
Paydown	0	72	223	295	378	
<b>Ending Balance</b>	<b>2500</b>	<b>2,500</b>	<b>2,428</b>	<b>2,205</b>	<b>1,910</b>	<b>1,532</b>
<b>Senior Notes</b>						
Beginning Balance	1,500	1,500	1,500	1,500	1,500	
Interest	188	188	188	188	188	
Paydown	0	0	0	0	0	
<b>Ending Balance</b>	<b>1500</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>
<b>Total Debt</b>						
Beginning Balance	4,200	4,090	3,928	3,705	3,410	
Interest	440	432	418	397	369	
Paydown	110	162	223	295	378	
<b>Ending Balance</b>	<b>4200</b>	<b>4,090</b>	<b>3,928</b>	<b>3,705</b>	<b>3,410</b>	<b>3,032</b>
<b>Debt/EBITDA</b>	<b>6.0x</b>	<b>5.3x</b>	<b>4.6x</b>	<b>4.0x</b>	<b>3.3x</b>	<b>2.7x</b>
<b>EBITDA/Interest</b>						
	<b>1.8x</b>	<b>2.0x</b>	<b>2.2x</b>	<b>2.6x</b>	<b>3.1x</b>	

IRR
LTM EBITDA at Exit
Exit Multiple
Enterprise Value
Net Debt
<b>Sponsor Equity Value at Exit</b>

Sponsor Equity at Entry	2,900
<b>Value Created</b>	<b>5,342</b>

<b>MOIC</b>																<b>2.8x</b>
<b>IRR</b>																<b>23.2%</b>

Sensitivity Analysis																
IRR vs Exit Multiple								IRR vs Revenue Growth								
8.0x	9.0x	10.0x	11.0x	12.0x	13.0x			8.0%	9.0%	10.0%	11.0%	12.0%				
23.2%	15.6%	19.7%	23.2%	26.4%	29.3%	32.0%		23.2%	19.6%	21.5%	23.2%	25.0%	26.7%			
IRR vs Holding Period																
1	2	3	4	5	6	7	8	9	10	11	12	13	14			
23.2%	184.2%	68.6%	41.6%	29.8%	23.2%	19.0%	16.1%	13.9%	12.3%	11.0%	9.1%	8.4%	7.7%			