The agent is provided with assumptions and a partially completed LBO model. This task is particularly complex for a number of reasons:

Firstly, even though the line items in the FCF are listed in chronological order, the agent needs to first complete the debt schedule before it can calculate the interest and mandatory amortization. Trying to complete this process in a different order will lead the agent to the wrong answer.

FCF Projection	**2020A**	**2021E**	**2022E**	**2023E**	**2024E**	**2025E**
($ in millions)						
Revenue	$1,000.0	**$1,100.0**	**$1,210.0**	**$1,331.0**	**$1,464.1**	**$1,610.5**
EBITDA	**$100.0**	**$110.0**	**$121.0**	**$133.1**	**$146.4**	**$161.0**
Less: D&A		($22.0)	($24.2)	($26.6)	($29.3)	($32.2)
EBIT		**$88.0**	**$96.8**	**$106.5**	**$117.1**	**$128.8**
Less: Interest		($41.1)	($39.9)	($38.7)	($37.5)	($36.5)
Less: Amortization of Financing Fees		($1.7)	($1.7)	($1.7)	($1.7)	($1.7)
EBT		**$45.2**	**$55.2**	**$66.1**	**$77.9**	**$90.6**
Less: Taxes		($15.8)	($19.3)	($23.1)	($27.3)	($31.7)
Net Income		**$29.4**	**$35.9**	**$43.0**	**$50.6**	**$58.9**
Plus: D&A		$22.0	$24.2	$26.6	$29.3	$32.2
Plus: Amortization of Financing Fees		$1.7	$1.7	$1.7	$1.7	$1.7
Less: Capex		($22.0)	($24.2)	($26.6)	($29.3)	($32.2)
Less: Δ in NWC		($11.0)	($12.1)	($13.3)	($14.6)	($16.1)
Less: Mandatory Amortization		($20.0)	($20.0)	($20.0)	($20.0)	($20.0)
Free Cash Flow (Pre-Revolver)		**$0.1**	**$5.5**	**$11.4**	**$17.7**	**$24.5**
Revolver Drawdown / (Paydown)		-	-	-	-	-
Free Cash Flow (Post-Revolver)		**$0.1**	**$5.5**	**$11.4**	**$17.7**	**$24.5**

Secondly, this task requires the agent to exercise significant domain knowledge about debt structures. We can see this through an excerpt from our assumptions document:

To finance the deal, Grey Lake secured 4x EBITDA in Term Loan B financing – which will come with a 7-year maturity, 5% mandatory amortization, and will be priced at LIBOR plus 400 with a 2% floor. The deal also includes a $50 mm revolving credit facility—priced at LIBOR plus 400 and imposing a 0.25 percent unused-commitment fee—in addition to the TLB. For the final debt layer, Grey Lake raised 2.0x in Senior Notes that carries a 7-year maturity and an 8.5% coupon rate. The financing fees were 2% for each tranche while the total transaction costs were $10mm. Because the $50 mm revolving credit facility is expected to remain fully ***undrawn*** *at close, you can presume that there is no financing fee for the revolver in I16.*

Thirdly, the agent has to make multiple intricate choices about how to properly use the available tools. For the agent to find the correct federal interest rate, it needs to correctly enter proper date ranges. Interest rate data is only released on the first of each month - if the agent doesn't include this date in its range, it will not get the correct results. For finding the exit multiple, before the agent makes a call to the appropriate tool, the agent needs to identify that the EV/EBITDA multiple should be used and identify the correct ticker symbols for the specified companies.

When the agent is completed with its work, we evaluate the agent's resulting file against our golden Excel sheet.