



ETERNA  
CAPITAL

## Investment Opportunity

November, 2025  
Bogotá, Colombia

# TargetCo represents an interesting investment opportunity with a return that could be above 40% in a solid, growing and resilient category

## General Summary

### **Asset-light / growing company**

- TargetCo projects to close 2025 with +50% in revenue and +100% in EBITDA - CAGR during the last five years above 30% (driven by contract with Hard Discount client)
- Low in assets and debt

### **Solid and resilient product category**

- Sauces / Dressings / Condiments has demonstrated to be a resilient product category in macroeconomic downturns - sustained growth is expected over the next years
- Within the Hard Discount channel, this category has experienced above average growth rates

### **Attractive acquisition multiple: 5X EBITDA**

- We pre-agreed with the seller a price of 5x EBITDA (aprox. USD 15MM) which is an attractive entry multiple considering comparable local, regional and global transactions

### **Projected IRR for Investor: 30-50%**

- In a scenario with an exit in the medium term with current business projections ("as is"), annual return for investors could be above 40%
- In a scenario without exit (long hold), annual returns would still be attractive above 25%

### **Experienced and motivated operating team**

- We have relevant experience and ambition for this opportunity
- We have experience in investment funds and capital raise
- We believe in the potential of SMEs as an engine to develop the country

### **Potential for additional value creation**

- We have identified several additional value levers that have not been included in the projections but that represent additional upside - COGS improvement thru supplier's development, cash flow cycle optimization and international revenue / diversification

TargetCo is a consumer goods company with a 40 year trajectory in the Colombia market and with a booming growth over the past years

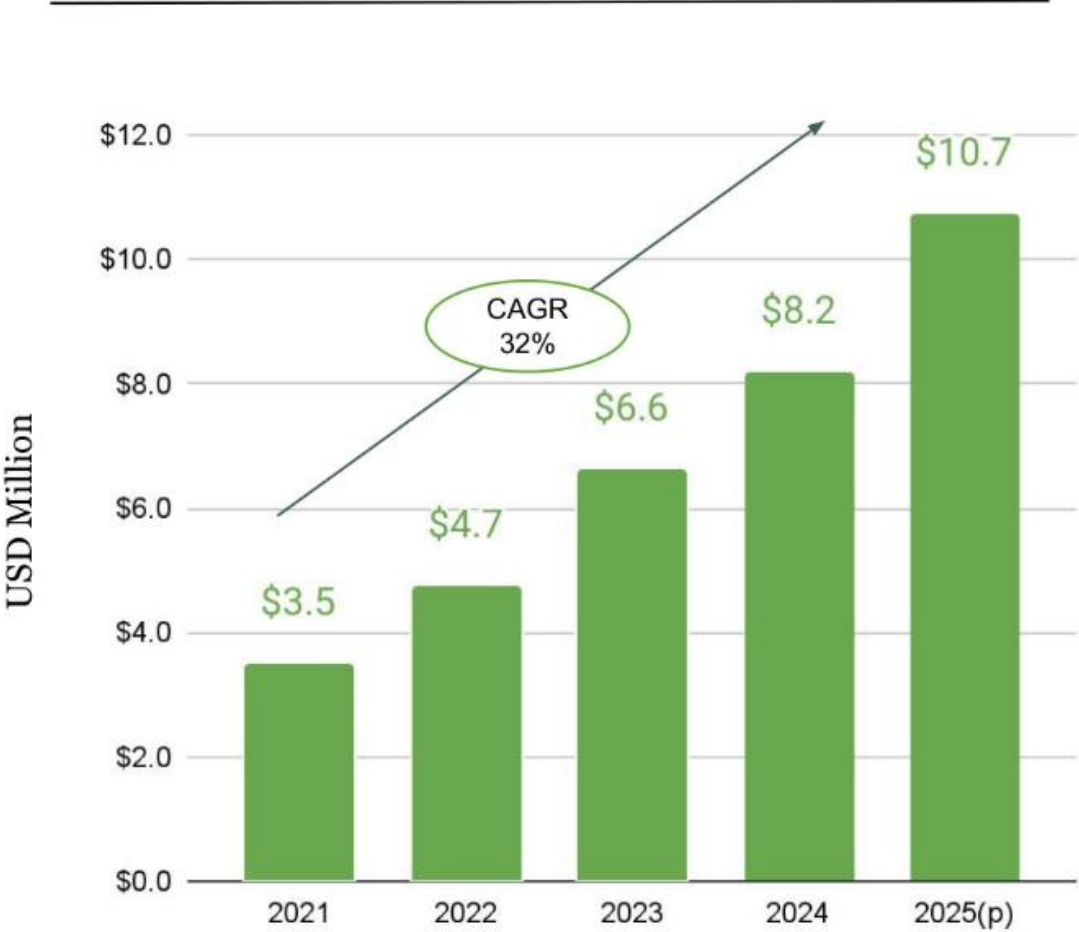
## General Information on the Company

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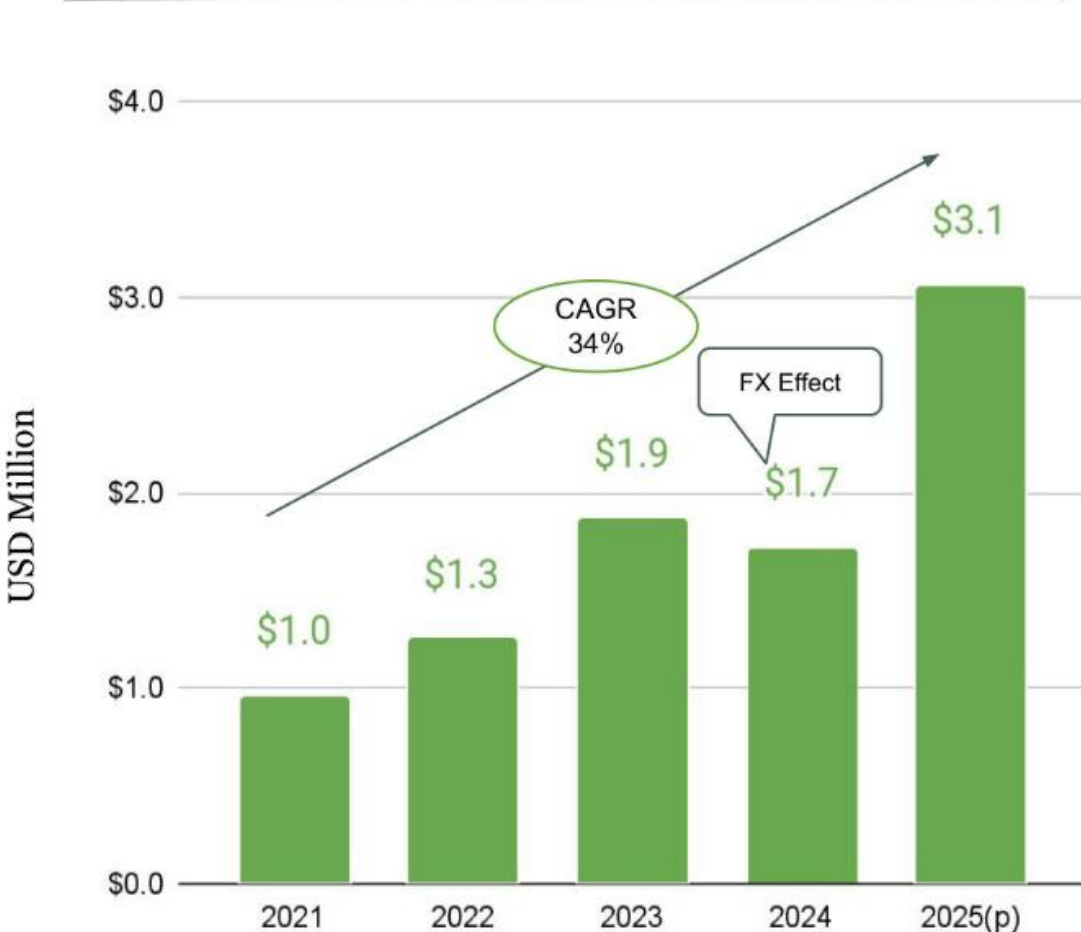
- TargetCo began 39 years ago in Bogota as a family company. In year 2000 it became an importer, producer, packager and seller within the Sauces / Dressing / Condiments product category
- In 2020, the current owner and CEO acquired 50% of the company. Then in 2023 he acquired the remaining 50% at a USD 5M valuation.
- TargetCo currently has a portfolio of 15+ products and 3 channels: Hard Discount, Supermarkets (with their own brand) and local Food Industry (B2B)
- TargetCo has national coverage and its operation is concentrated in Bogota with 2 rented warehouses in Mosquere and one another one in the North of Bogota
- After growing the company over the past years, the current owner and CEO is considering an exit due his age (67) and lack of succession (family or employees within the company)

TargetCo has experienced significant growth over the past years - 2025 should close with +50% in revenue and +100% in EBITDA

### Revenue

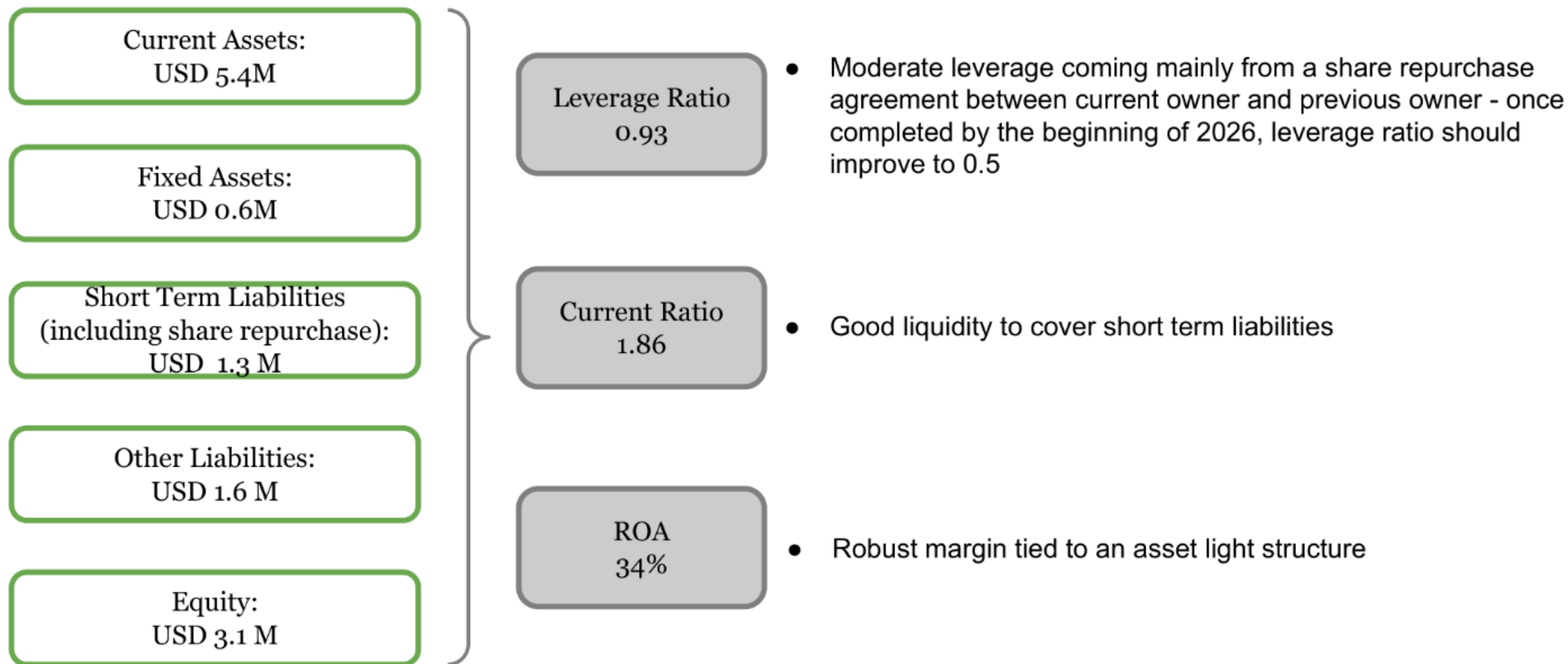


### EBITDA



TargetCo is a light-asset company with low levels of debt (and will improve by the beginning of 2026 once a share repurchase agreement has been completed)

## Balance Sheet June 2025



We propose a transaction with USD 6.0M in initial equity and an Earn Out of USD 9.6M which will be covered by cash flow from operations and up to USD 2.6M of additional equity

Investment \$15.6M

Proposed Structure for the Transaction

**Enterprise Value**

**\$14.9 M**

(5X EBITDA 2025)

**Cash = \$0.5 M**

**DD = \$0.25 M**

**Initial Equity**

**\$6.0 M**

(upfront payment to seller +  
Cash + DD)

**Earn Out**

**\$9.6 M**

(in 5 years and subject to  
milestones)

**Equity Commit.**

**\$2.6 M**

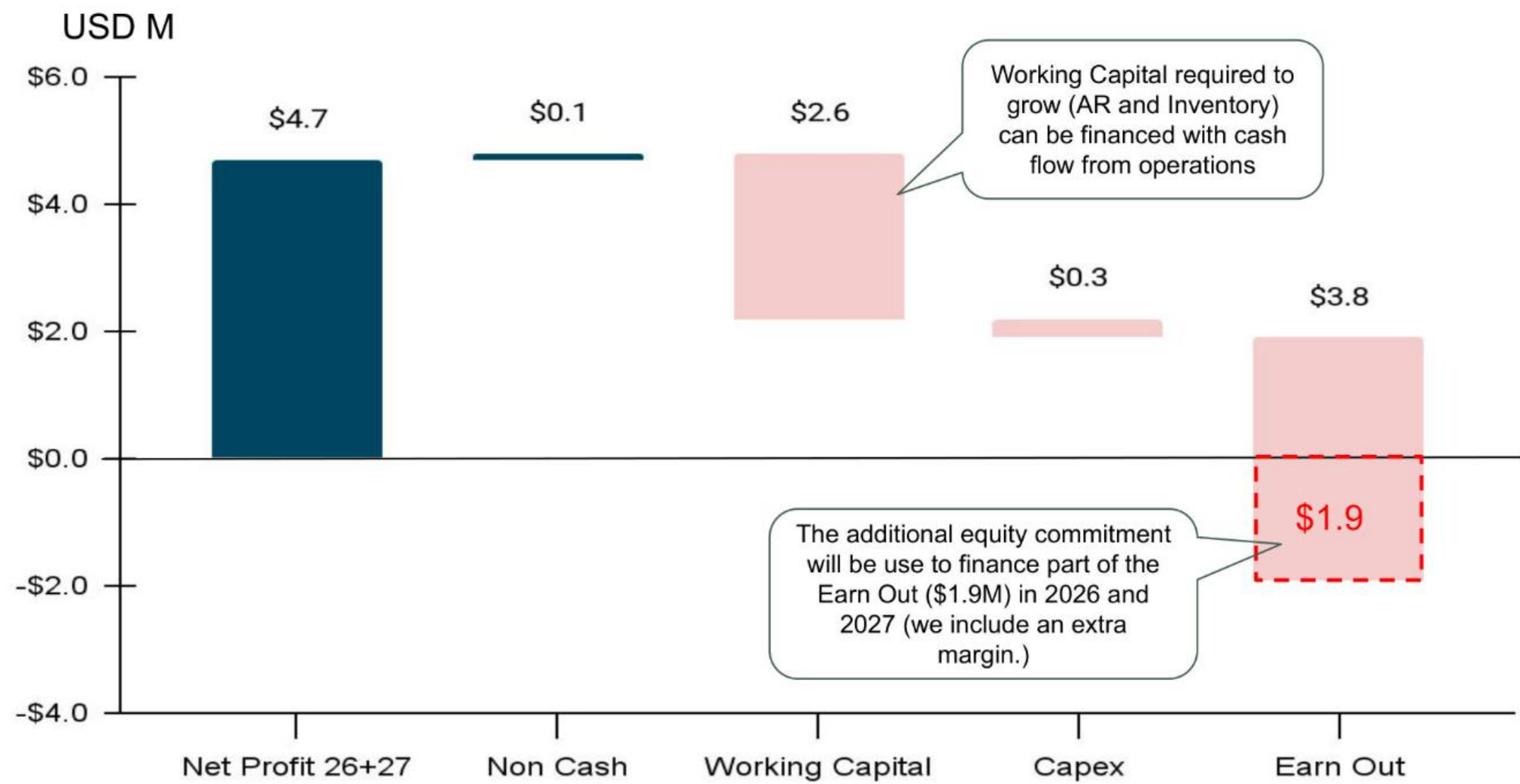
(additional for years 1-2)

**TargetCo Cash  
Flow**

**\$7.0 M**



Cash flow from operations would cover growth requirements and part of the Earn Out in the first 2 years; additional equity will cover the rest of the gap (from year 3 TargetCo can support 100% of growth and Earn Out)



The investor will receive 90% of equity at close and 100% of the financial rights until capital is repaid - it will then be diluted gradually down to 70% of equity in favor of management

At Close	Time Vesting	Milestone Vesting	Key Comments
	4 year vesting	Revenue = 2.5X	
Management = 10%	Management = 20%	Management = 30%	<ul style="list-style-type: none"><li>❖ Dividend payments to management will only occur once capital has been returned to investors</li><li>❖ IRR for investor will move between 24% and 40% depending on exist strategy - if no exit opportunities, return will be thru dividends</li><li>❖ Management will pay themselves salaries on average 30-50% below market during the first years</li><li>❖ Once capital is returned 1X, management will unblock the full 30% equity independent of time or milestones - same will happen in a liquidity event</li></ul>
Investor = 90%	Investor = 80%	Investor = 70%	



Immediately after acquisition we will focus on 4 key points

### 1 Revenue Diversification

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- International sales: USA mainly (30% of revenue by year 5)
- New local clients / segments to diversify commercial risk within Colombia - i.e. other hard discounters and local food industry

### 3 Cash Flow Cycle Optimization

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- Implementation of financial products for cash flow optimization
  - Factoring
  - Revolving credit facilities for working capital
  - International commerce credit facilities

### 2 COGS Improvement

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- Negotiation and development of raw materials and packaging suppliers with a projected improvement in COGS between 1 and 3 percentage points
- Production processes automation to reduce direct labor expenses

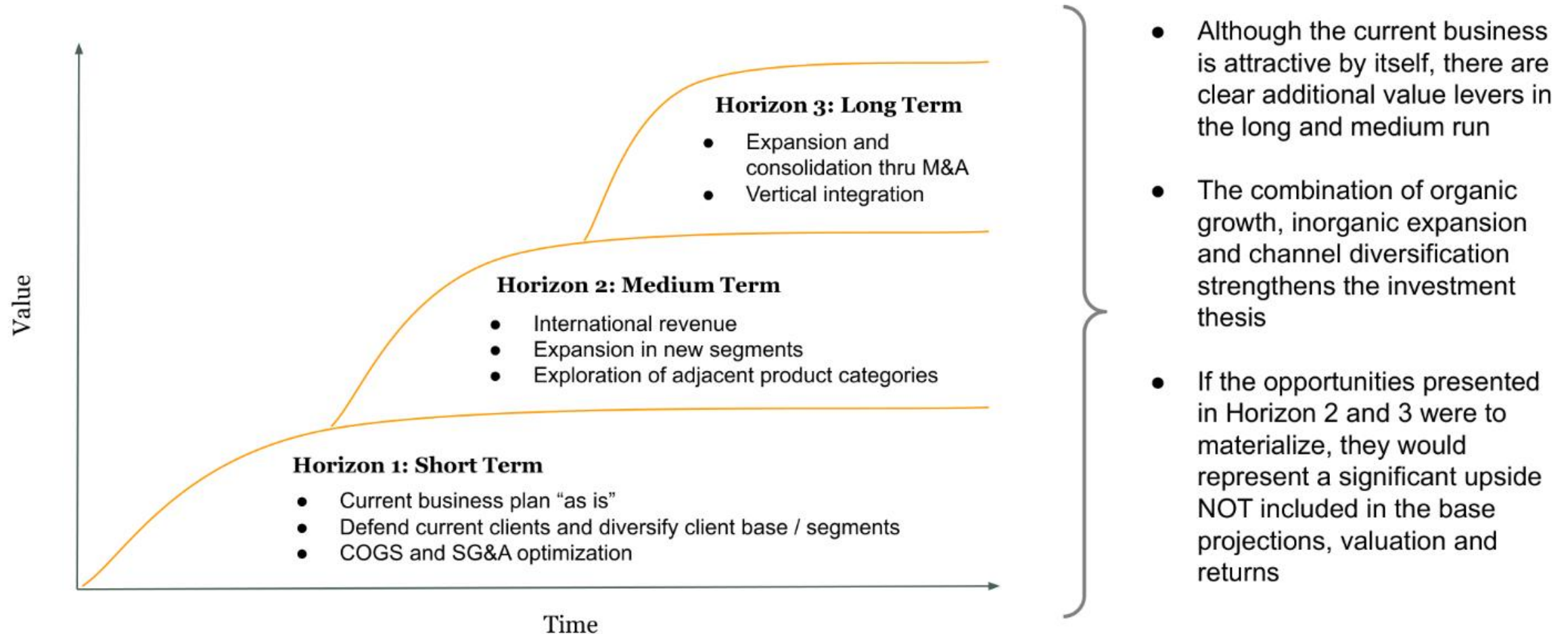
### 4 SG&A Rebalance

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- Hiring, training and ramping-up the right team to support 5-10 year growth plan
- Reduction in logistic expenses

In addition to the business “as is”, we have identified additional opportunities that can be captured in the long and medium run increasing the attractiveness of returns

## Strategic Horizons



We are an ideal team to operate this company, take it to the next level and reach the results and returns projected

Team with 30+ years of combined experience in Consulting, Investing, Startups and Operations...

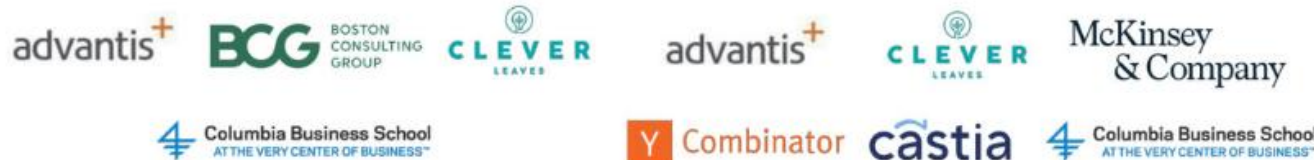
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Camilo Bohorquez



Mauricio Peñaranda



... with key experience for TargetCo

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- ✓ Leadership of multidisciplinary teams of up to 400 people
- ✓ Commercial development - local and international
- ✓ Supply chain management - local and international
- ✓ Production plants management with international quality certifications
- ✓ Full P&L and cash flow ownership and management
- ✓ Stakeholder's management including investors, financial institutions, regulatory authorities

... purpose and motivation

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- ✓ We believe in the potential of SMEs as an engine for the development of the country
- ✓ We want to operate and consolidate a company and a team in the long run



We will operate TargetCo leveraging our strengths and experiences



Camilo Bohorquez

Commercial  
Production  
Regulatory  
Research & Development  
Quality



Mauricio Peñaranda

Finance  
HHRR  
Supply Chain  
IT  
Marketing & Comms.

# We are looking to move fast and start as soon as possible

## Next Steps

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- Confirm equity commitments - ideally a limited amount of investors that are willing to not only contribute capital but also network, experience and mentorship
- Initiate detailed due diligence process - deep financial, organizational, operational, commercial and legal revision to validate the company's business plan, identify potential risks and refine value levers
- Define investment structure and governance - assess and define the optimal investment vehicle, confirm equity distribution between GPs and LPs and establish a milestone scheme to guarantee alignment
- Negotiate and close the transaction - finalize definitive agreements with the seller, define transaction terms and ensure a transparent integration with new management



# Thank you

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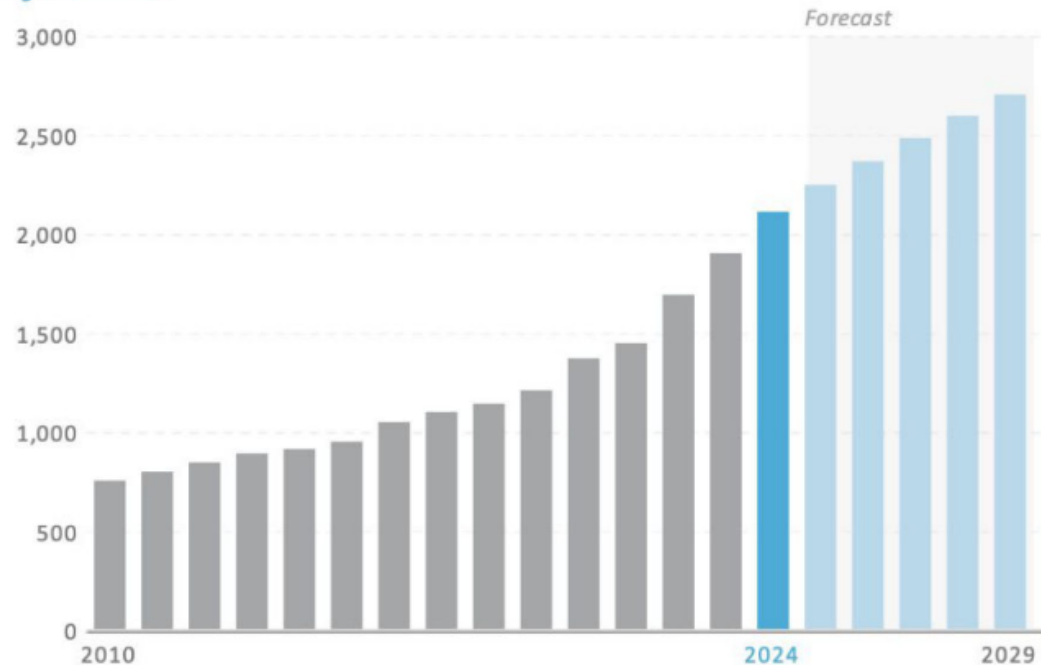
TargetCo is in a stable category, resistant to recessions or adverse events - it is expected to continue growing in a sustainable way

## Size and Evolution of the Category in COL

### Sales of Sauces, Dips and Condiments

Retail Value RSP - COP billion - Current - 2010-2029

2,106

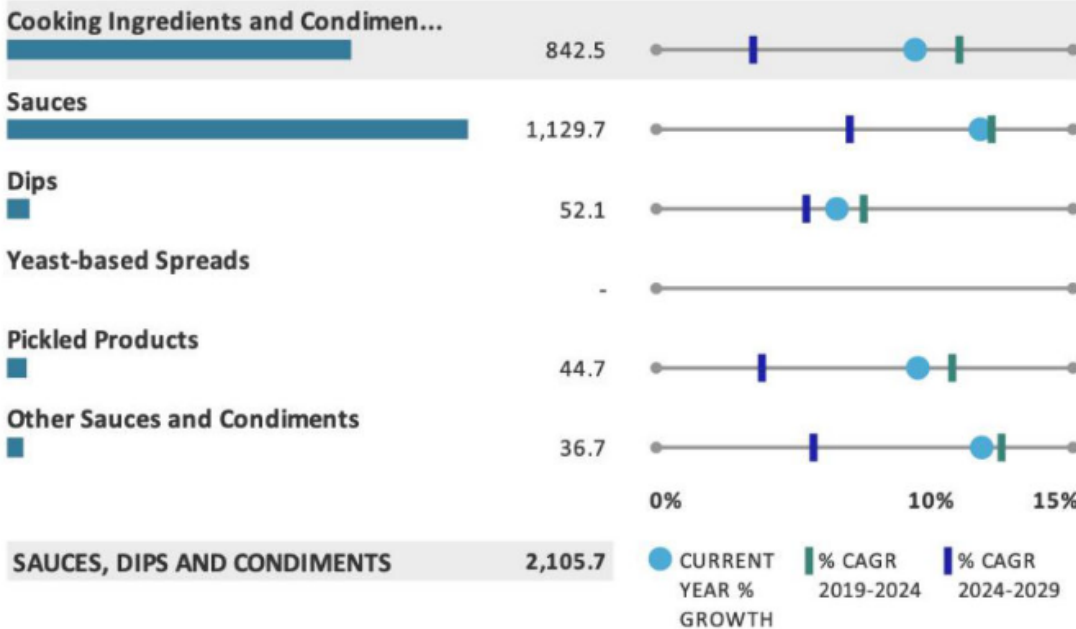


## Size and Outlook by Sub-Category

### Sales of Sauces, Dips and Condiments by Category

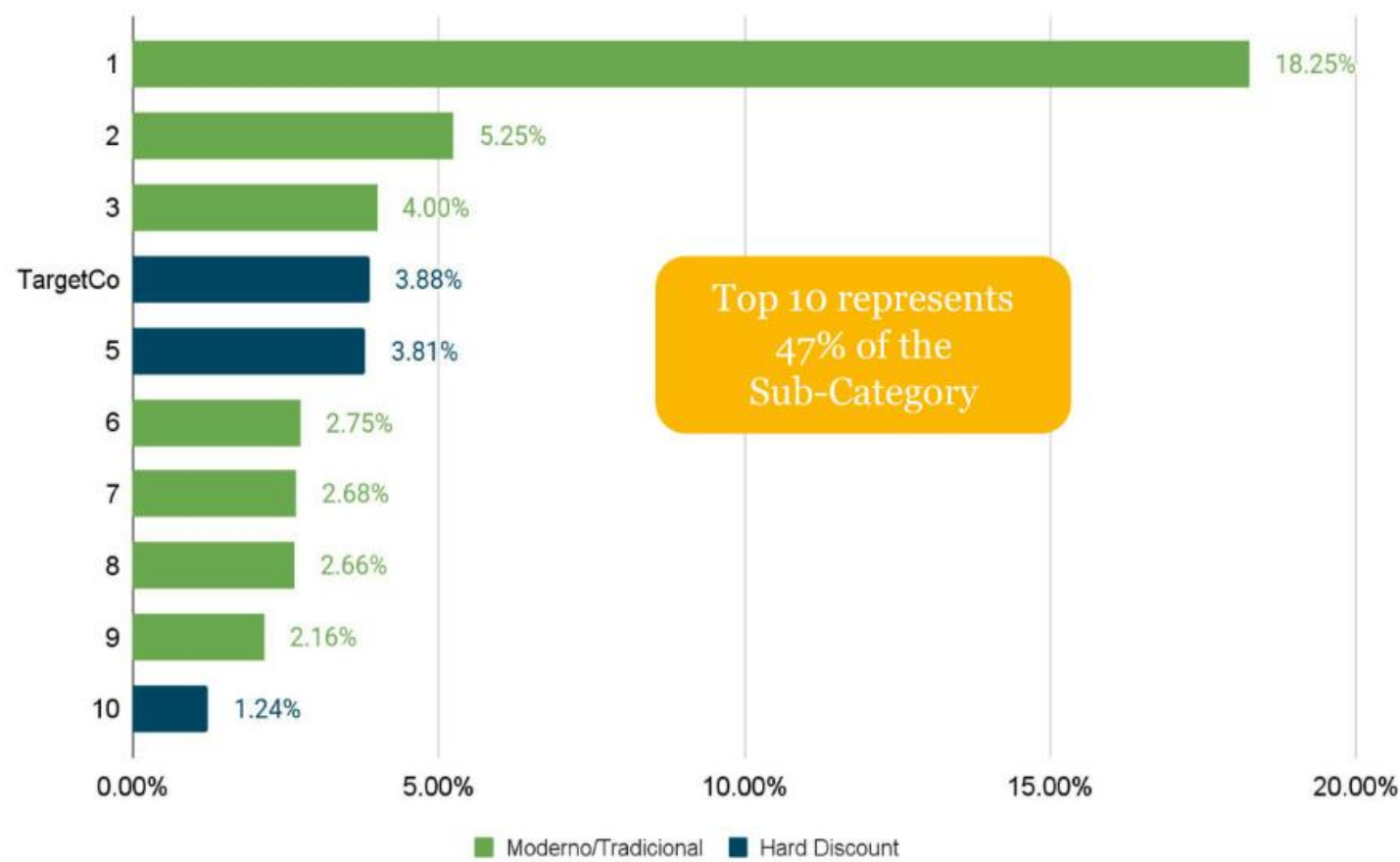
Retail Value RSP - COP billion - Current - 2024

Growth Performance



In the SubCategory, TargetCo leads Hard Discount - there are opportunities to deepen in other channels

Top 10 Companies in the SubCategory  
% Share by revenue



TargetCo is the #1 company in the Hard Discount channel, the fastest-growing engine in Colombia, with a privileged position to capture the future expansion of the channel.

Despite being fourth in the total SubCategory, its leadership in Hard Discount makes it a strategic player, with entry barriers and a strong relationship with the country's main client.

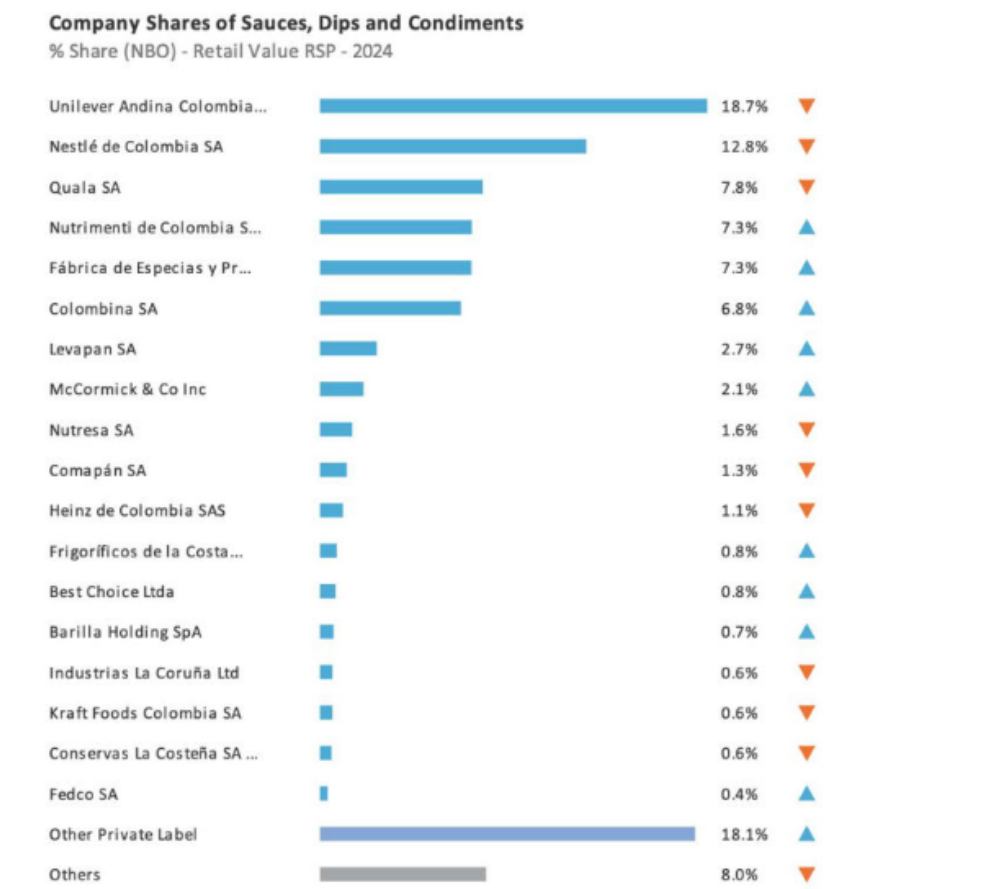
The market is highly fragmented (the Top 10 barely represents 47%), which opens space for TargetCo to increase its share through organic growth and consolidation.

The contrast with competitors focused on Modern/Traditional (e.g. #1 with 18.25%) highlights the opportunity for diversification, where TargetCo can expand without losing its dominance in Hard Discount.

Large players lead the category, but the market remains highly fragmented and with room for consolidation

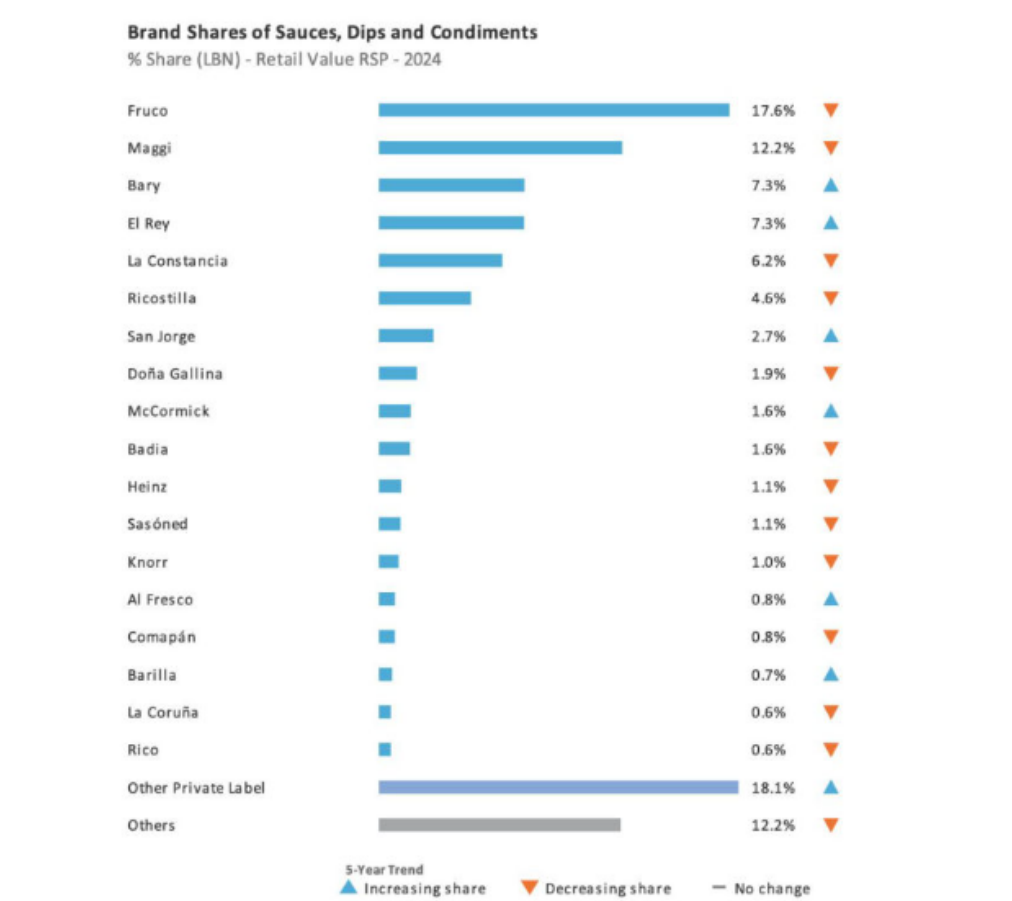
## Competitors in Colombia in the Category

### % Company Share by revenue



## Brands in Colombia in the Category

### % Brand Share by revenue



# The Hard Discount channel will continue to lead consumption growth in Colombia, which will continue to benefit TargetCo

## Growth of Hard Discounters in Colombia - Current Situation

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- Hard discount is already the second largest food retail channel in Colombia: in 2024 it represented ~18% of the market and was the main driver of growth (+12% total retail sales in 2024). 8 out of 10 households buy at least one product in discounters.
- D1 consolidates its leadership in reach and sales (≈ \$19.44 trillion COP in 2024; 2,576 stores). Ara closed 2024 with 1,438 stores and will continue opening at a high rate in 2025 (integrating ~70 Colsubsidio locations). Ísimo accelerated: 262 stores at the end of 2024 and a plan for +100 openings in 2025.
- Private labels and “everyday low prices” continue to gain ground (private label share ~24% in Colombia; some studies place it closer to ~32% by sales), which strengthens the discounter model.

## Growth of Hard Discounters in Colombia - Future Outlook

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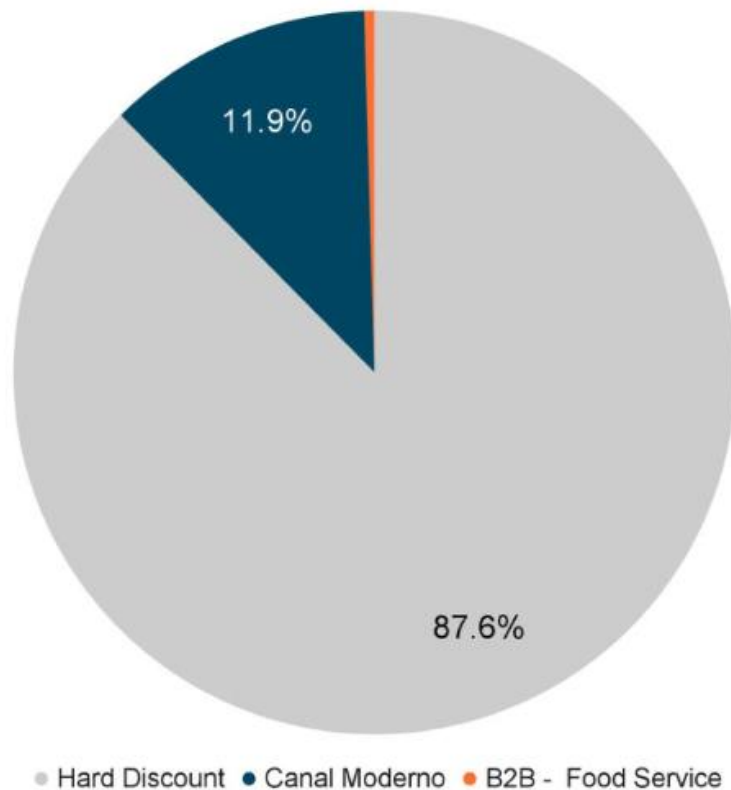
- Hard discount share in food retail: from 18% (2024) towards 20–22% in 2026/27, supported by new openings (Ara 120–160/year; Ísimo ~100 in 2025; D1 with selective expansion) and greater adoption of private labels.
- D1: maintains sales leadership; opens in a targeted way (where there are still white spaces), with medium-term upside if it reaches its potential ceiling of 3.4–3.5k stores. Stable margins due to scale and PL
- Ara: continues at a high pace and gains share in neighborhoods/middle classes, with a mix of PL and promotions; integration of ~70 locations gives a boost in 2025
- Ísimo: third player with accelerated growth (reach in Caribbean–Andean regions), reinforcing proximity and Olímpica’s PL; likely >350–400 stores in 2–3 years if 2025 pace and financing are sustained.



Growth has been leveraged by the expansion of the Hard Discount channel, with a high concentration in a leading client that offers stability and potential for future diversification

## Revenue Distribution by Channel

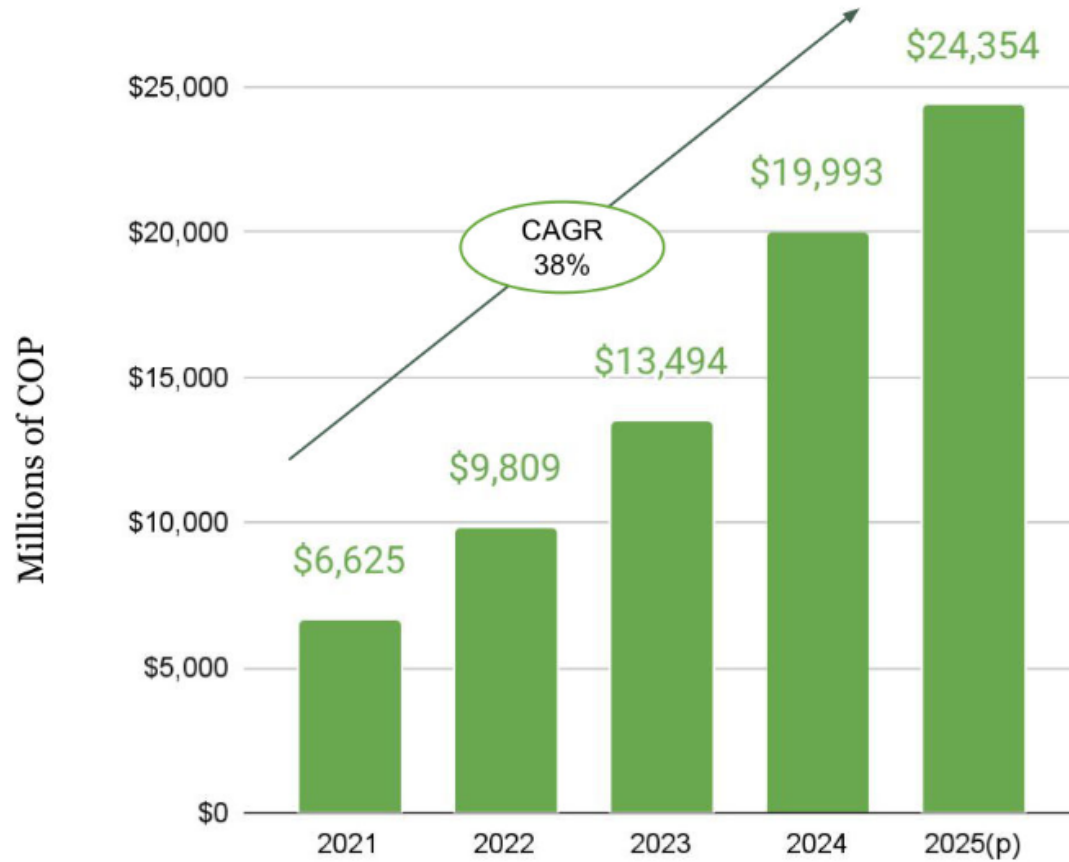
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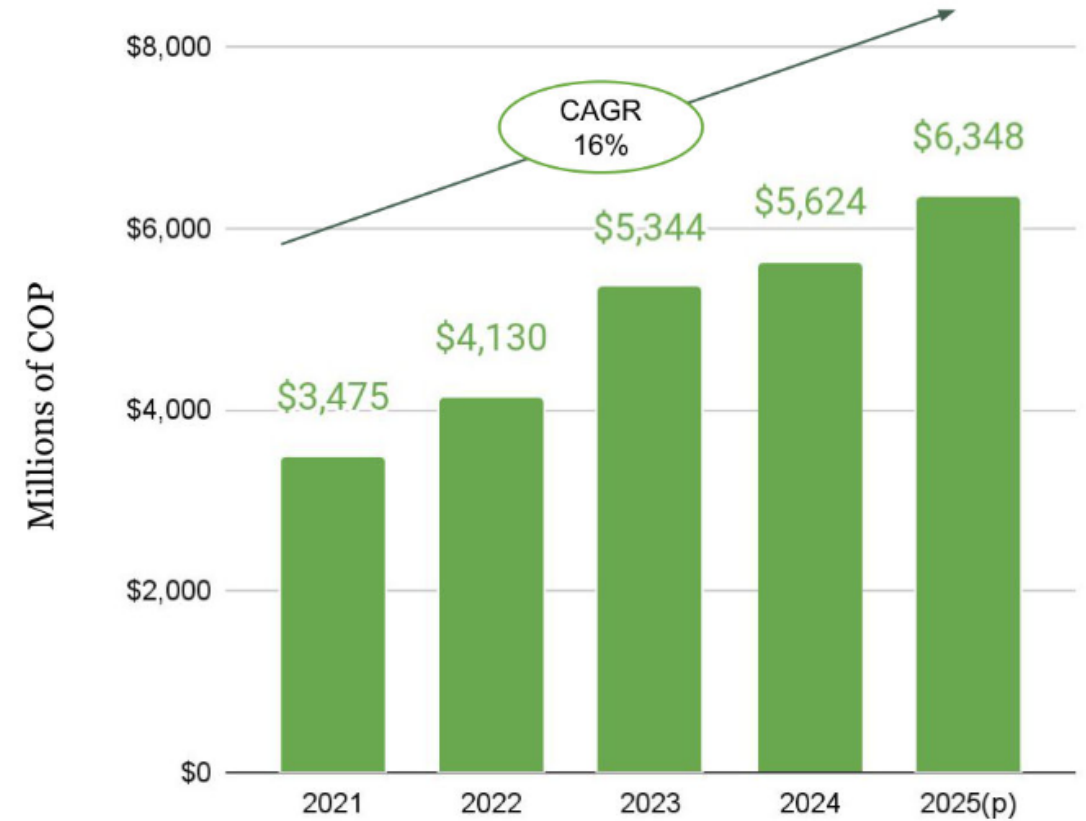
- The company has consolidated a solid and long-term relationship with a leading client in the Hard Discount channel, ensuring a constant sales volume.
- The concentration in a single client reflects high standards of quality, compliance, and competitiveness
- The Hard Discount channel is currently the fastest growing in Colombia, which positions the company on a privileged platform to capture the future expansion of the format.
- The current dependence is understood as a controlled and foreseeable risk, given that the client has financial sustainability and a proven growth model.
- There are ongoing initiatives to diversify clients and channels (traditional, horeca, institutional), which will gradually reduce the concentration without sacrificing the strength of the current relationship.
- In summary, exposure to Hard Discount is a competitive advantage in the short term, with a clear medium-term mitigation plan to ensure a more balanced portfolio.

Despite the foreign exchange exposure in raw materials, COGS remain controlled and SG&A reflects an efficient and leverageable operation

## COGS



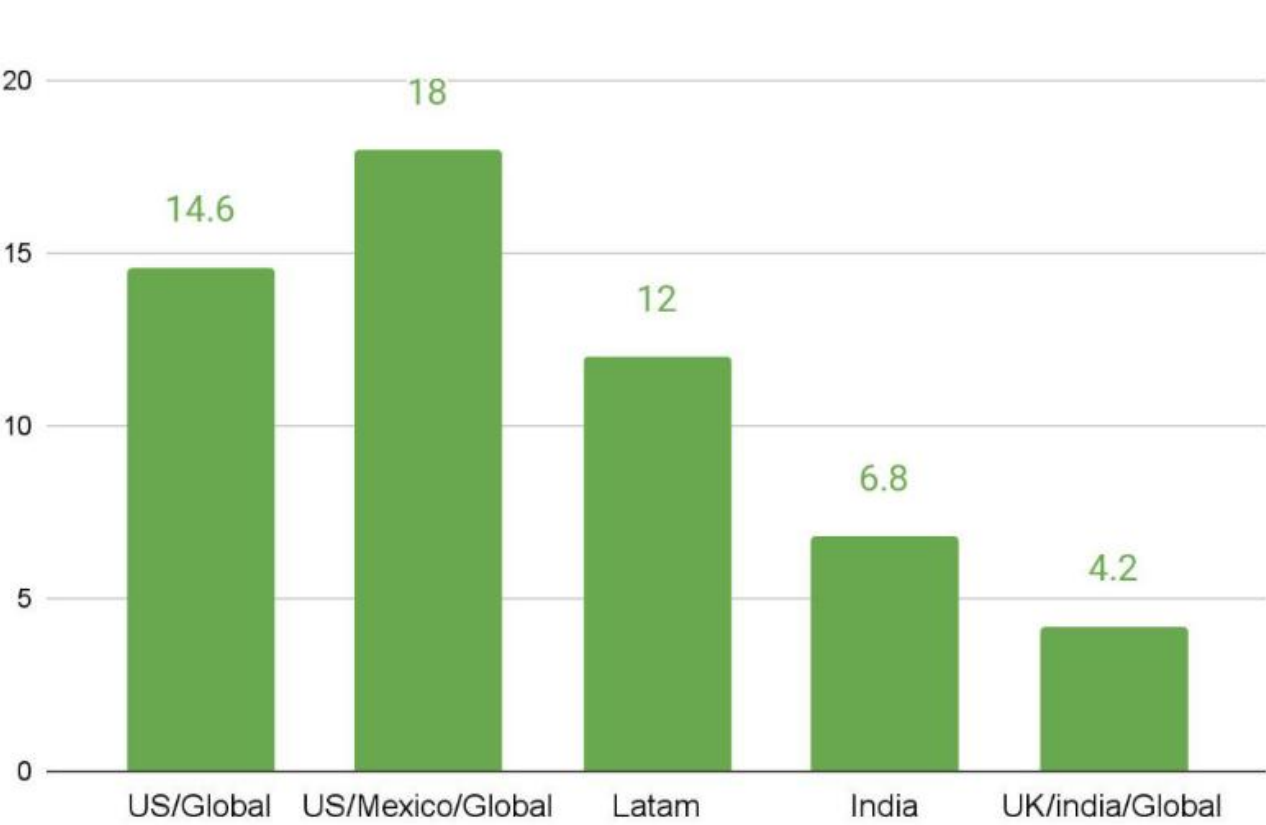
## SG&A





# International multiples in the category support an attractive value creation opportunity in Latam

## Transaction Benchmarks in the Comparable Subcategory #Times EV/EBITDA



Transaction multiples in developed markets (14–18x EV/EBITDA) are consistently higher than those in Latam (12x), suggesting room for convergence. India and UK/India show lower multiples (4–7x), reinforcing that Latam is in an intermediate position with potential upside. Global evidence shows that strategic buyers pay significant premiums for businesses with growth, brand, and diversified channels. For a financial investor, this implies that the asset in Latam can be revalued with professionalization and expansion initiatives, closing the gap with international benchmarks.

We are clear about the questions we need to resolve in a Due Diligence once we have the commitments

## Key Questions in the DD

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- **Operations & Machinery**
- **Condition and capacity of current lines (obsolescence, additional shifts).**
- **CAPEX needs in the next 3–5 years.**
- **Quality certifications and regulatory compliance.**
- **Talent & Organization**
- **Current org chart and leadership gaps.**
- **Compensation and incentive structure.**
- **Assessment of the suitability of the key team to scale.**
- **Financial & Accounting**
- **Quality of revenues (contract review, concentration, pricing).**
- **Accounting policies, provisions, taxes, and audits.**
- **Actual FCF generation vs EBITDA (working capital, contingent liabilities).**
- **Commercial & Strategy**
- **Depth of relationship with D1 (contracts, dependency, risk of backward integration).**
- **Status of negotiations with Ara and other clients.**
- **Demand elasticity / pricing power against FX and raw materials.**