Private Equity Training Delivered by

Elite Private Equity Practitioners

Wall Street Oasis is the largest online community focused on careers in finance with 200+ million visits since inception in 2006.

Every year, thousands of students and professionals use our financial modeling and skills based training to make them more productive at work.

Elite team of instructors, all with previous PE deal experience, cherry-picked from the top private equity funds in the world.

1) Boost your teams productivity

2) Elite training program for fraction of the cost

200,000,000+ Visits

800,000+ Members

63,000+ Enrolled

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Bank of America  KKR  Blackstone  THE CARLYLE GROUP  Goldman Sachs

Licenses@WallStreetOasis.com
Private Equity Deal Process + Advanced LBO Skills
Explicit PE Training to Support and Improve Your Associates

- Taught exclusively by experienced PE professionals that apply real transaction experience to support the theoretical concepts
- Integrated review of REAL deal docs (redacted) so employees retain critical nuances
- Detailed underwriting model case to mimic real-life complexity

Course #1
Private Equity Deals

- Navigate the Deal Process
- Roles + Responsibilities in a PE Firm
- Initial Business Appraisal - IOI, CIMs
- Types of Due Diligence
- Mini-Model + Complex Build
- Lender & Covenant Negotiations
- Includes REAL Redacted Deal Docs for additional realistic context

Course #2
LBO Modeling Course

- 110+ Lessons, 12+ Modules, 8+hrs
- Elite Megafund PE Instructor
- Sources and Uses of Cash
- P&L Projections & LBO Adjustments
- Updated to include 2017 Tax Reform
- Debt Schedule Build + Walkthrough
- Bonuses: Purchase Price Accounting, Dividend Recap + Roll Up Modules
WHY PARTNER WITH WSO
The Best Instructors + The Only PE Training that Uses Real Deal Documents

Course Goals
At the end of this training, your Analysts and Associates will understand the following...

- **WHAT** - What is included in a CIM, NDA, IOI, Lender Term Sheets, QoE Reports, ICMs +++ including sections to focus on and nuances to watch out for
- **HOW** - How to best prepare for a live deal and be proactive as an analyst or associate in PE?
- **WHY** - Why would senior investment professionals care about a deal in question? why are certain documents essential to deal in question? what are the nuances in those docs?

Training Summary
Our course walks through the auction process from beginning to end, including...

- **Complex Underwriting Model:**
  We don't just use a mini-LBO on a dummy case. We take it a step further. Alongside the instructor, employees create a robust underwriting model with a complex revenue build and scenarios. This is a critical extension from what they will learn conceptually from our mini-model case

- **Real Deal Documents:**
  Leveraging our community of over 800,000+ registered members, we sourced real deal docs that we incorporate throughout our sessions for additional realistic context (IOIs, NDAs, CIMs, QoE reports, ICMs, etc)

- **Updated LBO Model:**
  Our LBO model takes into account the additional modeling complications introduced with the 2017 Tax Reform and limits on interest deduction. We also include more advanced bonus material like modeling tuck-in acquisitions for a roll-up strategy, dividend recap flexibility and more
# EXAMPLES - THE CIM OVERVIEW
Sample from our Private Equity Training Deck

<table>
<thead>
<tr>
<th>Document Purpose</th>
<th>Typical Content</th>
<th>Process Detail</th>
<th>Associate Role</th>
</tr>
</thead>
</table>
| Further educate the landscape of interested buyers on the business, the industry, expected financial performance, and the management team | Almost always upwards of 20 pages; typically, 40-80 pages including the following:  
  - Transaction overview and investment highlights  
  - Business overview  
  - Industry overview  
  - Management introductions  
  - Financials – detailed historical and projections | Receipt of CIM occurs post NDA execution  
  - Bankers typically send the CIM directly, bypassing company management  
  **Next steps:**  
  - Post-CIM receipt, interested buyers are expected to sign an Indication of interest ("IOI") | Associates review CIMs in detail and are often required to succinctly summarize findings  
  - VPs also read through the CIM to understand the business  
  **Objectives:**  
  - Having received more detail, what is our level of interest and how should we value this business?  
  - What additional questions does the document raise? |

**Diligence**
- Maintain question list while reading the CIM
- Typically gain dataroom access
- Creation of diligence tracker

**IC Memo**
- Synthesize all received data into concise IC memo (5-15 pages typically)
- Memo will include business and industry detail, as well as preliminary returns

**Management Presentations**
- Build streamlined model to begin to contemplate returns
- Typically one to two scenarios, including the management case found in CIM and more realistic PE case

**Mini Model**
- Receive invitation to attend MP
- Prepare question list for management; level of detail depends on level of information provided / perception of management team

**Sign IOI?**
EXAMPLES - PROJECT BALBOA FACT SHEET
Sample from our Private Equity Training Deck

**Investment Highlights**
- #1 Market Leader (1)
- 60 Best-in-class restaurants
- +23% '22 - '26 Rev CAGR
- +24% SSS (2)
- +22% 2021A EBITDA Margin
- $1.9M AUV

**Business Highlights**
- Industry-Leading Restaurant Growth
- +4% 2021 SSS
- +10% 2021-2026 CAGR
- Best-in-class SSS across mature restaurant base
- Operational across 5 states (CA, NY, MA, Washington D.C., and FL)

**Industry Overview**
- Attractive Industry Fragmentation...
- +15% 2021-2026 Industry CAGR
- +200bps Market share in FY21
- Ample room to win category

**Best-in-Class Financial Performance**
- +100 Net new restaurants
- +$322M OEE Revenue
- +77% 22A Gross Margin
- +$73M OEE EBITDA

**Transaction Overview**
Seeking a significant minority investment to facilitate growth of new unit openings and operational growth

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E X A M P L E  -  R e d a c t e d  F i n a l  D i l i g e n c e  R e p o r t  A c c o u n t i n g
Sample from our Private Equity Training Deck

**POINTS OF INTEREST**

The schedule at the right presents the Company’s adjusted financial performance inclusive of due diligence adjustments as presented within the Quality of Earnings section of the report.

- **FY19 to FY20:** Adjusted EBITDA increased from $3.4 million in FY18 to $3.4 million in FY19, primarily driven by net sales growth from the expansion of the Company’s Designer bases.
  - Net sales: Net sales increased by $17.4 million driven by Designer-net sales, which accounted for approximately $15.3 million of the increase over the period. Refer to the following pages for further discussion of net sales trends and discussion of Designer membership trends.
  - **Operating expenses:** Operating expenses increased by $5.1 million from $17.8 million in FY19 to $23.7 million in FY18. Operating expenses include: (i) selling expenses, including compensation expense, of $15.5 million driven by sales growth in the period and (ii) increased by $2.4 million over the period driven by headcount transition to a new facility. Refer to the following pages.

- **FY19 to LTM Nov-20:** Adjusted EBITDA declined by $16.0 million from $17.8 million in FY19 to $1.8 million in LTM Nov-20, driven primarily by a shift in sales mix to lower margin products, primarily the result of lower in-person events due to COVID-19.
  - Net sales: Net sales increased by $12.1 million driven by (i) sales, and (ii) a $3.5 million increase in web-based sales.
  - Gross margin: Gross margin declined by 8.7% in FY19 and $1.2 million in web-based sales, which primarily drove the decline in gross margin.
  - Operating expenses: Operating expenses of $17.8 million in FY19 decreased by $1.2 million in web-based sales, which primarily drove the decline in operating expenses.

Refer to the points of interest related to adjusted sales and gross profit performance for further details.

**DEAL DASHBOARD**

<table>
<thead>
<tr>
<th>Financial Impact</th>
<th>Adjusted Net Working Capital (as % of Net Sales)</th>
<th>Net Debt and Debt-Like Items (as % of Net Sales)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY19</td>
<td>$4.4m</td>
<td>LTM Aug.</td>
</tr>
<tr>
<td>Net Sales</td>
<td>Nov-20</td>
<td>LTM Aug.</td>
</tr>
<tr>
<td></td>
<td>$4.3m</td>
<td>$4.6m</td>
</tr>
<tr>
<td></td>
<td>Nov-20</td>
<td>$2.5m</td>
</tr>
</tbody>
</table>

**Key Operational Items**

- Net sales and EBITDA growth from FY18 to FY19 is directly related to the growth in the Company’s Designer bases, the monthly average increased from 5,322 in Dec-17 to 16,573 in Dec-19.
- Management represents the key factor in declining EBITDA into LTM Nov-20, with inefficiencies in the Company’s shipping and fulfillment operations, that the Company is taking steps to shift from 3PLs to self-managed.

**EBITDA Trends**

- FY19 to LTM Nov-20: Production and manufacturing, selling, general and administrative expenses, and depreciation, and amortization.
- Net shipping, fulfillment, and merchant fees.
- DJA expenses - FY18 to LTM Nov-20: DJA expenses.
- DJA expenses - LTM Nov-20: LTM Nov-20 DJA expenses.

Confidential Draft
As COVID-19 encouraged nesting, the home décor market has grown dramatically as many look to decorate their homes.

Since COVID-19 broke out, people have spent a significant amount on home upgrades. A recent survey showed that 19% of home owners have spent or plan to spend at least $500 on home upgrades during the pandemic, with Millennials being the largest group making home improvements. 3

Additionally, with COVID-19, more homeowners are looking at home improvement projects that they can do themselves, which leads to further growth within the decorative home décor market. Revenue up 22% in Q2 and lower, revenue up 10% in Q3, showing significant new interest from homeowners looking to improve their homes by themselves. 4

Carpets is a very recession-resistant category. Recessionists tend to be favorable for the arts & crafts industry because when disposable income is lower, people tend to make their own gifts and decorations during holiday season. In 2021, lumber and paint sales showed significant increases in traffic in holiday 2021

Michaels, the largest craft retailer in the country, has a minor decline in Q2 sales during the 2021-2022 recession, and quickly rebounded in Q3 for continued growth.
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