



MBA seeking \$1M equity with 12% Annual Cash Dividend to acquire \$1.2M EBITDA West Coast B2B Payments Platform

Entrepreneur

Role

To assume CEO position, lead all day-to-day operations after 6-12 month management transition period

Background

- 10 years experience in investment banking & financial services
- MBA from top program and BS in finance
- Has been actively searching for company to acquire for 17 months; reviewed 1,000+ opportunities

Advisors

Committed advisory board of experienced executives to help oversee transaction, strategic growth and ongoing operations

Business

Trusted regional leader in payments processing and systems since mid-1990's with steady cash flow and revenue. Low customer concentration with no client accounting for more than 5% of sales. [SIC 7375 Payments Processing]

Single-location company founded and owned by an individual who is retiring

Growth Strategy

Year 1	Year 2+
Strong transition, customer relationship & knowledge transfer	Operational improvements & expand sales efforts to enable new product offerings

Investment

Investment Details

4.8x EBITDA Purchase Price
Base IRR 28%
PIK interest rate 12%
Expected PIK term 120 mo
Minimum investment \$35,000

Debt service coverage 1.9x
Avg 3yr EBITDA \$1.1m
Expected Exit 5-7yrs

Projected Equity Holding

Entrepreneur - 65% equity ownership
Accredited Investor Group - 35% equity ownership

Acquisition Details

Total Capital Req. \$6,000,000

Term Loan (Senior): \$4,000,000

Seller earn-out: \$1,000,000

Total Equity Required: \$1,000,000

EtA Club Approved

We have approved this deal to be presented to EtA Club members



Management
Capability



Entrepreneur
Motivation



Customer
Concentration



Recurring
Revenue



Competitive
Differentiation

Entry barriers & switching costs



Growth
Potential



Recession
Durability



Deal
Structure

STRONG EBITDA: investor cash flow

Investor Protection & Risk

EtA Club operates as a consultant and does not warranty or recommend any investment and strongly advises Client to perform their own independent due diligence prior to investment. No guarantees with respect to either return on investment or strength of the investment's proposed business model will be made by EtA. Potential deals will be presented simultaneously to multiple clients by EtA until a written agreement to invest is signed by both interested parties.



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