

Investment Thesis – Executive Summary

Creation of compelling Executive Summary on the proposed investment is critical as it will position the proposal before going into details.

EXECUTIVE SUMMARY

- Summary/short description of strategic decision
- Overview of the Target Profile

VALUATION

- List valuation methodologies used
- Calculate enterprise value using discounted cash flows and provide a range of valuation using DCF, Book Value and Transaction Comparable

RISK EXPOSURE

Type of Risk	Probability	Impact
Strategic	High	High
Operational	Low	Medium
Financial	Medium	Low
Hazard	Low	High

RATIONALE FOR MERGER/ACQUISITION

- Right to Win-Step-out and break through opportunities (e.g. exit mature businesses , enter new industries)
- Right to Exist -smaller; operational investments, part of the BU CEO' plan
- Right to Compete -Investments in near adjacencies and existing markets (e.g. invest in new markets). Mix of BU and Board planning

OVERALL IMPACT OF THE MERGER/ACQUISITION ON THE BUSINESS

- Describe types of growth opportunities that exist post acquisition
- Explain direct influence on the operations due to merger/acquisition

FUNDING STRUCTURE

- Define funding structure: what is the percentage financed through debt/equity; other sources of financing etc.

MARKET TRANSACTIONS

Transaction	Date	Value	Earning Multiple
Co. A > Co. B			
Co. D -> Co. E			
Co. X -> Co. Z			

RECOMMENDATION

Go No Go Review

