



Private Equity Foundations Program





We leverage insights from our **870,000+ member** community from the past **16 years** to provide the **most relevant training** for private equity professionals.



The largest online community focused on careers in finance

200,000,000+ Visits



Thousands of PE professionals use our training material

63,000+ Enrolled



Cherry-picked instructors from top private equity firms

37+ MF & Top MM Faculty

Professionals at Top Funds Use WSO Training

WARBURG PINCUS

SILVER LAKE



MDP

VSS

THE CARLYLE GROUP



APOLLO

KKR

TAILWIND



Blackstone

Private Equity On-cycle Challenges

Suboptimal game theory outcomes for everyone.



On-cycle recruiting **18 – 22 months** before start date



Potential hires have **limited to no deal experience** during interviews



Premature testing for LBO and modeling skills

Private Equity Skill Deficits

Pre-MBA associates and PE Analysts have **major gaps in buy-side knowledge**.



Takes time to develop an investor mindset coming from the sell-side



IB analysts have a **weak understanding of the full PE deal** process



Private equity **analysts require even more training** to get up the learning curve

Extensive PE Training Program

General financial modeling training **is not enough.**



Intensive, realistic cases with a detailed underwriting model build



Developed and delivered by **top PE faculty** from MFs, MM, and LMM funds with **nuanced deal knowledge**



Real redacted deal documents to mirror the complexity of real transactions

Why Wall Street Oasis?

We leverage the **largest finance community** to bring together the **best faculty to develop and deliver world-class PE training.**



Cherry-picked instructors
from **top PE firms** (7,000+
candidate pool)



Community-sourced real deal
documents give **exposure to**
real-life complexity



Iterative feedback from **PE**
community (20,000+), and
senior PE professionals
(347+) on staff

Training Customized to Your Fund

We ensure our training **meets your specific needs.**



Integrate your current training practices (if any).
Live virtual, in-office, or full self-study online options



Our faculty **can train using your models**, investment case studies, and deal processes



Programs **customizable** to the background of trainees

Wall Street Oasis' Private Equity Faculty

Below are some of our specialized PE faculty who help us continuously develop and deliver best-in-class PE training.



Craig Thompson
Private Equity Instructor

Craig was a Private Equity Associate at KKR. Prior to KKR, Craig was an Investment Banking Associate at Goldman Sachs. Craig has an MBA from The Wharton School and a Bachelor's Degree in Mathematics from Middlebury College.



Tim Schlidt
Private Equity Instructor

Tim was a Private Equity Associate with Madison Dearborn Partners. Before Madison Dearborn Partners, Tim was an Investment Banking Analyst at Greenhill & Co & JP Morgan. Tim has a Bachelors of Business Administration from University of Wisconsin-Madison.



Levi Malik
Private Equity Instructor

Levi was a Private Equity Associate at Hellman & Friedman. Prior to Hellman & Friedman, Levi was an Investment Banking Analyst at Morgan Stanley. Levi has an MBA from Stanford University Graduate School of Business, and a Bachelor of Arts from Princeton University.



Josh Pupkin
Private Equity Instructor

Josh was a Private Equity Associate at Neuberger Berman, and an Investment Banking Analyst at Barclays. Josh has an MBA from Duke University - The Fuqua School of Business. Currently, Josh is a VP at AlixPartners, a financial advisory and global consulting firm focusing on turnarounds and restructuring.

Wall Street Oasis' Private Equity Faculty

Below are some of our specialized PE faculty who help us continuously develop and deliver best-in-class PE training.



Emma Teach
Private Equity Instructor

Emma was a Private Equity Associate at L Catterton. Prior to L Catterton, Emma was an Investment Banking Analyst at Citi. Emma is currently receiving an MBA from the Harvard Business School, and has a Bachelor of Arts, Economics from Hamilton College.



Nicolas Yepes
Private Equity Instructor

Nicolas was a VP at Creation Investments Capital Management (\$1.3bn AUM emerging mkt PE fund), an Investment Banking Associate at Scotiabank, and an Investment Banking Analyst at Morgan Stanley. Nicholas has an MBA from Chicago Booth School of Business, and a Bachelor of Arts from Hamilton College.



Pedro Silva
Private Equity Instructor

Pedro previously worked as a Vice President at EIG Global Energy Partners (\$24bn AUM energy and infrastructure fund) for five years and as an Investment Banking Analyst at JP Morgan for over two years. He holds a Bachelor of Arts in Economics from Rice University.



Daniel Bulkin
Private Equity Instructor

Daniel formerly worked at Terra Firma as an Investment Analyst for 2 years before transitioning to H.I.G. Capital as an Investment Manager, working on European PE and Growth equity deals in the TMT and healthcare spaces. He holds a Bachelor of Science with 1st Class Honours from the London School of Economics.

Appendix I

Case Studies

3-Day Associate Training Program

Client Needs



A **lower MM PE/growth equity firm** wanted to train three incoming associates.

- The firm was looking for a program that touched upon both traditional **LBOs** as well as considerations traditionally seen in **growth equity**: cap tables, term sheets, ESOPs, ARR builds, cohort analysis, and unit economics.
- They were looking to **standardize associate onboarding and training**. They also wanted the course materials and prep work to be available after the live sessions to the associates for reference and continuing education.

Approach



3-Day live virtual training program with real redacted deal docs and a detailed underwriting model build.

- Assigned online **prep work prior to** live virtual sessions allowing trainees to be fully prepared and engaged.
- We delivered the full **PE deals process course + LBO modeling course** over two days and leveraged **growth equity diligence modules** from our VC course for the third day.
- Provided senior employees with access to the **admin dashboard** to track employee progress & granted **lifetime access** to the online materials to the trainees that attended the live session.

Impact



- Helped the small fund to start **critical data collection** on new employee performance, allowing them to benchmark, identify and modify needs for continuing education.
- Shortened/virtual program kept training costs, resource tie-up, and **disruption to a minimum**.
- After the private training was completed, **the firm renewed** for their next class of Associates.

5-Day Associate Training Program

Client Needs



An **upper MM PE firm** wanted to train seven incoming associates. Five investment banking and two consulting.

- The firm consistently recognized a slow time-to-value from these new pre-MBA associates each year. Typically, it would take **3-6 months** for them to reach full productivity.
- The firm was looking to provide an **in-office training program** for new hires to get exposure early on to the investor mindset and develop the skills to build a detailed underwriting model.

Approach



5-Day in-office training program with real redacted deal docs and an underwriting model

- Assigned online **prep work prior to** in-office sessions allowing trainees to be fully prepared and engaged. Consultants were assigned additional financial modeling courses to close the technical skills gap.
- **Customized training** based on the firm's own deal docs and cases/transactions.
- Provided senior employees with access to the **admin dashboard** to track employee progress & set due dates on the prep work while reviewing assessment scores on the content covered in the live sessions.

Impact



- New Associates gained exposure to a **full PE deal process** and came out of the training with a strong framework for their role and responsibilities at the fund.
- Principals & Partners benefited from a **quicker ramp to full productivity**. Within 2-4 weeks, all new associates were demonstrating skills and confidence not normally seen until 3-6 months (based on previous classes).
- Once the sessions were completed, **the client immediately renewed** for the following year to onboard their next class of Associates. We were also asked to extend the session for incoming summer interns.

10-Day Analyst + Associate Training Program

Client Needs



A **top 20 PE firm in NYC** was interested in a customized training session for their five new analysts and four new associates on financial modeling & deals process.

- Tailored to the specific industry the fund specialized in (Software).
- Trainees were both analysts & associates with varying levels of experience.
- Instructor needed to be an expert in financial modeling and valuation as well as have previous PE experience.

Approach



10-day in-office training.

- Week 1 was for **analysts only** and covered Excel Modeling, Advanced PowerPoint, Financial Statement Modeling (FSM), DCF Modeling, Trading, and Transaction Comps.
- Week 2 was for **analysts + associates** and covered PE Deal Process, Due Diligence, Underwriting Model Build, Financing Considerations, and Advanced LBO Modeling.
- **Customized training** based on two of the firm's most successful deal docs and cases/transactions.

Impact



- Received outstanding reviews in our follow-up survey that was delivered to all 9 trainees after the program was completed. All of them scored **over 85% on the post-session assessments**.
- Given the success of the customized sessions, we were **re-engaged to deliver a custom training** session on a SaaS recurring revenue model for all the current analysts & associates.
- Analysts that were hired out of undergrad **outperformed on modeling assessments** when benchmarked to other associates that were hired out of investment banking but did not undergo our training.

Appendix II

Sample Program Overview

Private Equity Foundations - Program Overview

Prep work



- Accounting Basics
- Excel Basics
- PowerPoint Basics
- Valuation Theory

Productivity



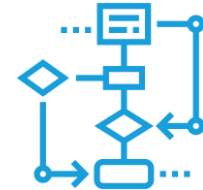
- Excel Modeling
- Excel Capstone
- Advanced PowerPoint
- Benchmarking

Core



- Financial Statement Modeling (FSM)
- DCF Modeling
- Spreading Comps
- Advanced Accounting
- M&A Modeling
- LBO Model Intro

Process



- Advanced LBO
- Due Diligence
- Operating Model
- PE Deal Process
- PE Deal Simulation (optional)

Private Equity Foundations - Program Overview

Prep work

Productivity

Core

Process

Prep work **prior to training** helps ensure baseline knowledge to access the curriculum.

Accounting Basics

The Income Statement

- Revenue, Revenue Recognition, COGS & Gross Profit, SGA, and R&D
- D&A, Stock-Based Comp & Other Opex
- NI, EBIT, EBITDA & Income Statement

The Balance Sheet

- Introduction to Assets
- Introduction to Liabilities & Equity

The Cash Flow Statement

- Cash From Operations
- Cash From Investing
- Cash From Financing

Financial Statement Analysis, Working Capital & Other Considerations

- Non-GAAP measures, and Earning Management

Excel Basics

Navigation

- Grouping, and Hiding
- The Ribbon
- Formula Bar
- Worksheets, and View/Zoom
- Navigating Menus

Efficiency Foundation

- Grouping & Hiding
- Rows & Columns
- Fill Right & Down
- Paste Special
- Ctrl vs. Alt
- Quick Access Toolbar

Excel Shortcuts

- Downloadable Excel Shortcut Cheat Sheet

PowerPoint Basics

PowerPoint Interface

- PPT Toolbar
- Navigating View Modes
- Key Shortcuts

Objects & Lines

- Basic & Advanced Object Formatting
- Adjusting Text in Objects
- Insert & Adjust Lines
- Grouping & Layering Shapes
- Ninja Lines

PowerPoint Tables

- Insert Tables & Modifying Rows/Columns
- Shading/Adding Lines
- Formatting Text in Tables
- Advanced Formatting

Private Equity Foundations - Program Overview

Prep work

Productivity

Core

Process

Excel Modeling

Fundamentals Concepts

- Shortcuts
- Hotkeys
- Hard-Coding Formulas

View & Print

- Show & Zoom
- Freeze and Split Panes
- Print and Page Layout

Math Functions

- Formulas
- Errors
- Advanced Math Functions
- Anchoring

Date & Text Functions

- Dates in Excel
- Dynamic Text

Excel Capstone

Lookup & Financial Functions

- Vlookup and Hlookup
- Index + Match and Data Validation

Scenarios & Data Tables

- Various Scenarios
- Setting up Data Tables
- Naming Cells and Formula Auditing

Sorting, Filtering & Pivot Tables

- Custom Sort and Horizontal Data Sets
- Various Filtering Options
- Visually Analysis Data with Pivot Tables

Excel Charts

- Inserting & Adjusting Charts
- Combo Charts
- Trendlines and Regression

Capstone Assignment

- Apply Concepts From The Training to Recreate Excel Tables & Charts

Advanced PowerPoint

Graphics

- Picture Formatting
- Custom Bullets

Diagrams

- Common Diagrams Used in PE

Graphs

- Pie, Bar, and Line Charts
- Football Fields

The PowerPoint Interface

- Navigating the Slide Master

Tips & Tricks

- Version Control
- Tracking & Completion of Comments

Storyboarding

- Identify the main theme
- Slide structure
- Delegate responsibilities for components

Private Equity Foundations - Program Overview

Prep work

Productivity

Core

Process

Financial Statement Modeling

Income Statement

- Historical Income Statement, Drivers & Projections

Working Capital, PP&E, and Intangibles

- Historical BS, Receivables, Inventories, Prepaid Expenses, Payables & Accrued Liabilities

The Cash Flow Statement

- Cash Flow From Operations & Investing, Equity Schedule, Calculating Dividends & Stockholder Equity

Debt & Interest Schedule

- Cash from Debt Paydown, Long Term Debt, Revolver
- Interest & Circularity

Finishing The Model

- Historical Basic Shares & Dilutive Securities, EPS Calculation, Share Repurchase, and Option Proceeds
- Scenario and Sensitivity Analysis

DCF Modeling

Enterprise Value and Equity Value

- Moving from Equity Value to Enterprise Value
- What Effects EV

DCF Fundamentals

- Unlevered vs. Levered FCF
- Calculating NWC
- Sample Ratios and Projection Drivers
- Locating relevant information
- Terminal Value

WACC Overview

- Intro to CAPM
- Unlevered Beta Calculation

NPV of Future Cash Flows

- Deriving Share Price from the NPV of Future Cash Flows
- Fully Diluted Shares Outstanding
- Impact from Options & Warrants
- Sensitivity Analysis

Spreading Comps

Enterprise Value & Equity Value

- What Affects Enterprise Value?
- Value Multiples
- Structure Independence
- DCF vs Comps

Trading Comps Setup & Benchmarking

- P&L Terminology and Item Impacts, Commonly Used EV Multiples
- Selecting a Universe of Comparables
- Benchmarking & Determining the Valuation Through Comparable Analysis
- FDSO

Precedent Transactions

- Screening for & Selecting the Universe of Precedent Transactions
- Synergies
- Deal-Specific Dynamics
- Football Field
- Non-GAAP Adjustments

Private Equity Foundations - Program Overview

Prep work

Productivity

Core

Process

Advanced Accounting

Deferred Taxes

- Intro to Deferred Taxes
- Deferred Tax Liabilities and Assets
- Book vs. Tax Basis

Net Operating Losses (NOLs)

- NOLs and Valuation Allowance

Stock-Based Compensation

- Stock Options
- Restricted Stock

Intercompany Investments

- Types of Investments
- Equity Method and NCI

Lease Accounting

- US GAAP vs IFRS
- ROU and Lease Liabilities
- Liability Roll-Forward

Debt Accounting

- PIK, OID, Capitalized Interest, and OIP

M&A Modeling

M&A Intro

- The Big Picture
- M&A Players and Process
- Types of M&A Transactions
- Pitchbooks

Buyside Processes

- Stages of Buyside Process
- Agreement on Price, Transaction Closing

Sellside Processes

- Stages of a Sellside Process
- Assessment and Process Set up
- Buyer Meetings and Diligence
- Agreement on Price, Transaction Closing

M&A Model

- Model Setup
- Simplified Analysis
- Detailed Analysis
- Accretion/Dilution Analysis

LBO Model: Introduction

Valuation and Transaction Assumptions

- Enterprise Value to Equity Value
- Adjusted EBITDA
- Acquisition Multiple

Sources and Uses

- Debt Tranche Overview
- Leverage Ratios
- Revolver, Term Loans, Mezzanine Financing, and Preferred Stock

P&L Projections & LBO Adjustments

- Key Changes to the P&L and Linking the Income and Cash Flow Statements

Debt Schedule

- Revolver, Tranches, and Interest Expense
- Financing Fees & OID
- Circularity

Balance Sheet and Adjustments

- Linking CAs and CLs, PP&E, Intangibles, Goodwill, Deferred Financing Fees

Private Equity Foundations - Program Overview

Prep work

Productivity

Core

Process

PE Deal Process

Initial Business Appraisal

- Overview of the Teaser
- Non-Disclosure Agreement (NDA)

First Round Bids

- Process Letter, CIM, and IC Memo
- Indicative Financing, IOI
- Real Lender Term Sheet Review

Final IC Memo and LOI

- Discussion around the final IC Memo / GP Bringdown, and key LOI considerations

The Close Process

- Final Purchase Agreement, Final Credit Agreement, Regulatory Approvals, Pre-closing Checklist

Portfolio Company Monitoring

- Financial Reporting and Annual Budget Forecasting

Distribution Waterfall Exercises

- MOIC Hurdle, Non-Compounding Hurdle, IRR Hurdle

Due Diligence

Diligence Overview

- Types and Considerations
- Signaling During Diligence
- Third Party Providers
- Real Diligence Tracker Template

Business and Commercial Diligence

- Essential Topics
- Real Scope of Work Example
- Commercial Diligence Sample Review

Accounting and Tax Diligence

- Essential Topics
- Quality of Earnings (QoE)
- Common QOE Addbacks
- Real Scope of Work Example
- Real Financial Diligence Sample Review

Data Rooms

- Key Notes
- Management Meetings

Operating Model Build

Operating Model Overview

- Valuation and Financing
- Underwriting Model Purpose, Content, Process, and Associate/Analyst Role
- Identifying Value Creation Opportunities

Model Setup

- Setting up for Import
- Prototype Input Build
- Mature Unit Build
- Immature Unit Build
- Historical Balance Sheet
- Driver Dashboard Setup
- Driver Dashboard Sensitivities
- Prototype Unit Setup

Dynamic Model Integration

- Drivers to Unit Projections
- P&L Waterfall Build
- Operating Build
- Formatting Considerations

Private Equity Foundations - Program Overview

Prep work

Productivity

Core

Process

Operating Model Build

Sources and Uses

- Sources and Uses Build
- Ownership Build

Debt Modeling

- Forward LIBOR Curve
- D&A Schedule
- Proforma Balance Sheet
- Working Capital Assumptions
- Cash Interest and Circular References
- Balance Sheet Metrics and Projections

Operating Model Analysis

- Returns Analysis
- Prototype Output

Covenant Analysis

- Common Covenants
- Fixed Charge Coverage
- Lease Adjusted Debt to EBITDAR

Advanced LBO

Valuation and Transaction Quick Review

- Enterprise Value to Equity Value
- Adjusted EBITDA
- Acquisition Multiple

Purchase Price Accounting

- Calculating New Goodwill Creation
- Treatment of Incremental D&A
- Deferred Tax Liability Creation

Dividend Recap

- Setting Dividend Recap Parameters
- New Debt Tranche
- Impact on Financial Statements
- Impact on Returns

Add-On Acquisition Build

- Acquisition Toggle
- Acquisition Waterfall
- Impact on Returns

Appendix III

Sample Agendas

Full Time PE Associate Program – Sample Agenda

	Prep Work	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6
Week 1	PE Primer Mini LBO	PE Deal Process Overview	Conducting Due Diligence	Detailed Underwriting Model Build Financing Considerations		Advanced LBO Modeling	PE Deal Simulation (optional)

Some of the topics covered

Private Equity Deal Process:

- Teasers
- NDAs
- Deal Process
- LOI/IOI
- Closing the Deal
- Final Presentation

Conducting Due Diligence:

- Types of Due Diligence
- Third Party Providers
- Business and Commercial Diligence
- Accounting and Tax DD
- QoE
- Data Room

Underwriting Model Build:

- Value Creation Opportunities
- Mature Unit Build
- Prototype Build
- Linking Driver to Projections
- P&L Waterfall Build
- Common Covenants
- Driver Dashboard

LBO Modeling:

- Short and long-form LBO
- Waterfall modeling
- NOL
- Tax reforms
- Debt Modeling
- Add-On Acquisition Build
- Dividend Recap

Full-Time PE Analyst Program – Sample Agenda

	Day 1	Day 2	Day 3	Day 4	Day 5
Week 1	Excel Modeling Advanced PowerPoint	Financial Statement Modeling (FSM)		Valuation Theory and DCF Modeling	Transaction and Trading Comps
Week 2	PE Deal Process Overview	Conducting Due Diligence	Detailed Underwriting Model Build Financing Considerations		Advanced LBO Modeling
Week 3 (Optional)	Private Equity Deal Simulation centered on Client Investment				

Some of the topics covered

FSM:

- Modeling best practices
- 3-statement modeling
- Debt Schedule

DCF and Comps Modeling:

- Normalizing financials
- Precedent vs trading comps

Private Equity Deal Process:

- Teasers
- NDAs
- Deal Process
- LOI/IOI
- Closing the Deal
- Final Presentation

Conducting Due Diligence:

- Data analysis
- Operating models
- Revenue and expense builds

Underwriting Model Build:

- Value Creation Opportunities
- Driver Dashboard

LBO Modeling:

- Short and long form LBO
- Waterfall modeling
- NOL
- Tax reforms
- Debt Modeling
- Exit and return analysis

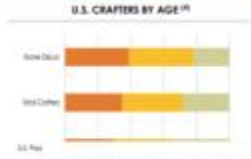
Appendix IV

Sample Materials

IC Memo Redacted

COMPANY OVERVIEW | CRAFTING & HOME DECOR MARKETS

- Thives of the intersection of the crafting and home décor markets: crafted décor.**
 - is at the center of two very large and fast-growing markets, the U.S. crafting market size was \$44 billion in 2017, which has grown at a 4.6% CAGR since 2011 ⁽¹⁾ while the U.S. Home décor market size was \$250+ billion in 2018 and is expected to grow at a 4.6% CAGR through 2025. ⁽²⁾**
 - Both markets are very popular with Millennials, the age group that will see the most growth in spending – 80% of people below 35 participate in at least one kind of crafting activity. ⁽³⁾**
 - Etsy, a marketplace of crafted décor products, experienced a 32% CAGR growth from 2013-2019 - Etsy emphasizes small, handmade and affordable crafted décor products. Its rapid recent growth underscores a compelling opportunity for **whose product assortment mirrors the hallmark attributes of Etsy products.****
- 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 Kantar survey showed that 59% of homeowners have spent or plan to spend at least \$500 on home upgrades during the pandemic with Millennials being the largest group making home improvements. ⁽⁴⁾**
 - Additionally with COVID-19, more homeowners are looking at home improvement projects that they can do themselves, which points to further growth within crafted décor, Home Depot (Revenue up 23% in Q2) and Lowe's (Revenue up 30% in Q2) both saw significant new interest from homeowners looking to improve their homes by themselves. ⁽⁵⁾**
- Crafting is a very recession resistant category.**
 - Recessions 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 2008, Etsy, Jo-Ann, and Hobby Lobby saw significant increases in traffic in Holiday 2008 as more people looked into a "DIY Christmas." ⁽⁶⁾**
 - Michael's, the largest crafting retailer in the country, had a minimal decline in Hat Sales during the 2007-2008 recession, and quickly rebounded in 2009 for continued growth.**



FINANCIAL ANALYSIS | MODEL & RETURNS (CONT.) ⁽¹⁾

Item	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Revenue	1.10	1.24	1.40	1.57	1.76	1.97	2.20	2.45	2.72	3.01	3.31	3.62	3.94
Operating Expenses	0.37	0.42	0.47	0.52	0.57	0.62	0.67	0.72	0.77	0.82	0.87	0.92	0.97
Operating Income	0.73	0.82	0.93	1.05	1.19	1.35	1.53	1.73	1.94	2.19	2.44	2.70	2.97
EBITDA	0.73	0.82	0.93	1.05	1.19	1.35	1.53	1.73	1.94	2.19	2.44	2.70	2.97
EBIT	0.73	0.82	0.93	1.05	1.19	1.35	1.53	1.73	1.94	2.19	2.44	2.70	2.97
EBITDA Margin	66%	66%	66%	66%	66%	66%	66%	66%	66%	66%	66%	66%	66%
EBIT Margin	66%	66%	66%	66%	66%	66%	66%	66%	66%	66%	66%	66%	66%
Operating Income	0.73	0.82	0.93	1.05	1.19	1.35	1.53	1.73	1.94	2.19	2.44	2.70	2.97
EBITDA	0.73	0.82	0.93	1.05	1.19	1.35	1.53	1.73	1.94	2.19	2.44	2.70	2.97
EBIT	0.73	0.82	0.93	1.05	1.19	1.35	1.53	1.73	1.94	2.19	2.44	2.70	2.97
Operating Income	0.73	0.82	0.93	1.05	1.19	1.35	1.53	1.73	1.94	2.19	2.44	2.70	2.97
EBITDA	0.73	0.82	0.93	1.05	1.19	1.35	1.53	1.73	1.94	2.19	2.44	2.70	2.97
EBIT	0.73	0.82	0.93	1.05	1.19	1.35	1.53	1.73	1.94	2.19	2.44	2.70	2.97

⁽¹⁾ July 2014 Grandview Research, Home Decor Market Size, Share & Trends
⁽²⁾ IBF Craft Industry Alliance Report
⁽³⁾ November 2019, Statista Market Intelligence, North America Home Decor Analysis
⁽⁴⁾ Statista, September 2020, Home Upgrade Post
⁽⁵⁾ Wall Street Journal, August 2020, Retailing During COVID-19
⁽⁶⁾ New York Times, December 2008, Retail Sales - 2009 Year-End
⁽⁷⁾ Statista, 2019 Home, 2019 - 20

⁽¹⁾ Represents returns including \$1.4 million in tax adjustments

Redacted Final Diligence Report Accounting

POINTS OF INTEREST

Adjusted financial performance

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

Adjusted Financial Performance	FY18	FY19	FY20
Net sales	10,000	10,000	9,000
Cost of goods sold	(3,000)	(3,000)	(3,000)
Gross margin	7,000	7,000	6,000
Operating expenses	(2,000)	(2,000)	(2,000)
Operating income	5,000	5,000	4,000
Net income	3,000	3,000	2,000

- FY18 to FY19:** Adjusted EBITDA increased from \$4.4 million in FY18 to \$5.4 million in FY19, primarily driven by net sales growth from the expansion of the Company's Designer lines.
 - Net sales:** Net sales increased by \$11.8 million driven by Designer-based net sales, which accounted for approximately \$15.0 million of the increase over the period. Refer to the following pages for further discussion of net sales trends and discussion on Designer membership trends.
 - Gross margin:** Gross margin increased by 280 bps from FY18 to FY19, primarily due to the expansion of the Company's Designer lines and growth in Designer monthly subscriptions.
 - Operating expenses:** Operating expenses increased by \$3.1 million, primarily due to the expansion of the Company's Designer lines and growth in Designer monthly subscriptions.
- FY19 to LTM Nov-20:** Adjusted EBITDA declined by \$1.8 million LTM Nov-20, driven primarily by a shift in sales mix from whole primarily the result of fewer in-person events due to COVID-19.
 - Net sales:** Net sales increased by \$1.2 million, driven by (i) sales, and (ii) a \$1.3 million increase in web-based sales and delivery income.
 - Gross margin:** Gross margin declined from 69.7% in FY19 to 67.1% in LTM Nov-20, primarily due to a shift from whole-sale to web-based sales, and inefficiencies in shipping and fulfillment.
 - Operating expenses:** Operating expenses increased by \$1.2 million, primarily due to an increase in selling expenses, which primarily is a result of an increase in commissions and trade shows. See sales mix as web-based sales have higher commission to conference and trade show expenses that were canceled expense from operating expenses to COGS.

Refer to the Points of Interest related to adjusted sales and gross profit for further details.

Adjusted Operating Expenses

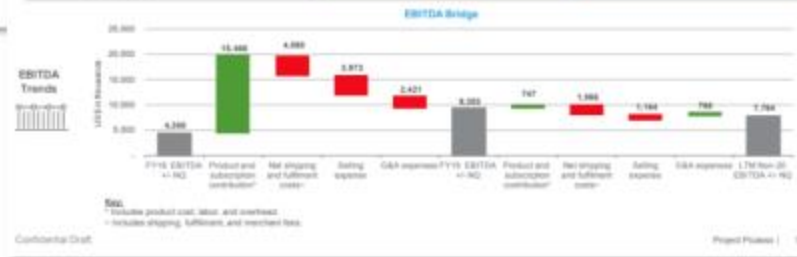
Adjusted Operating Expenses	FY18	FY19	FY20
Cost of goods sold	3,000	3,000	3,000
Shipping, freight and handling	1,000	1,000	1,000
Marketing, advertising and promotion	1,000	1,000	1,000
Research and development	1,000	1,000	1,000
SG&A	1,000	1,000	1,000
Depreciation and amortization	1,000	1,000	1,000
Interest expense	1,000	1,000	1,000
Income tax expense	1,000	1,000	1,000
Other	1,000	1,000	1,000
Total operating expenses	12,000	12,000	12,000

DEAL DASHBOARD

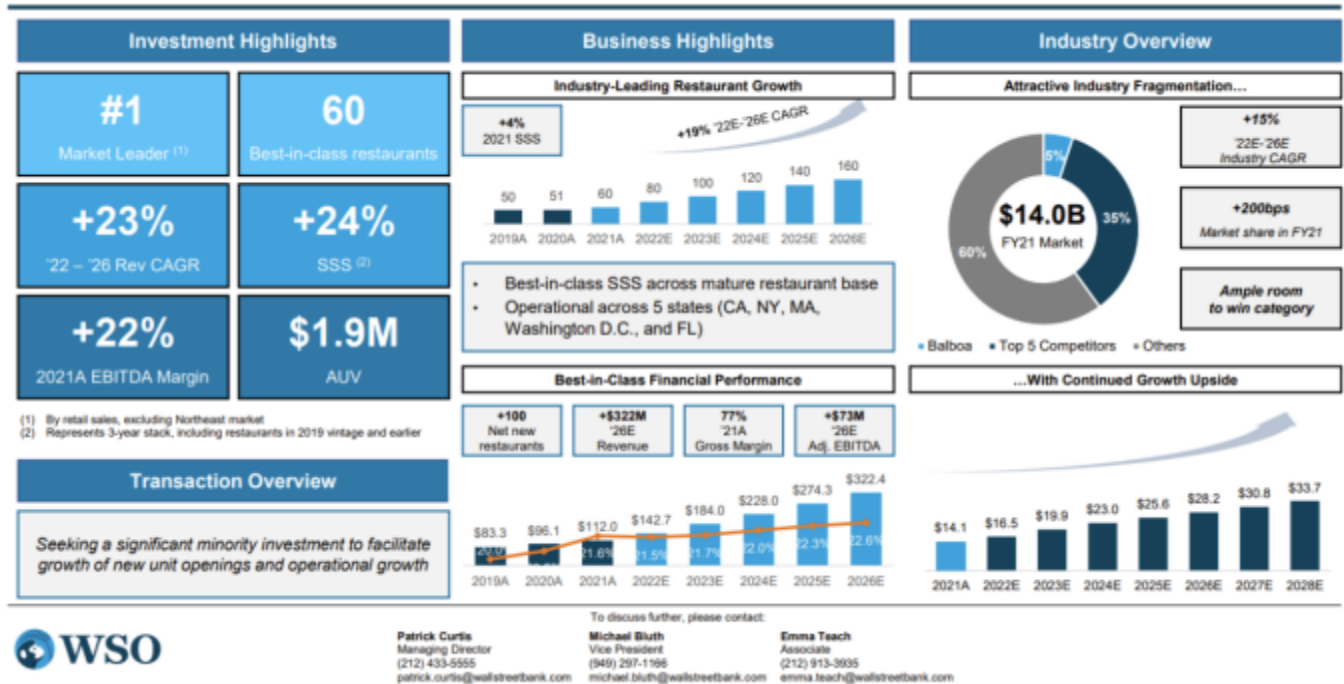
Financial Impact	Adjusted EBITDA (M, NOU)		Adjusted Net Working Capital (M, NQ)		Net Debt and Debt-Like Items (M, NQ)
	FY18	FY19	Nov-20	LTM Avg.	Nov-20
	\$4.4m	\$5.4m	\$4.3m	\$4.6m	-\$2.5m

Key Operational Items	Operational Highlights	Key Working Capital Considerations	Debt-Like Considerations
	<ul style="list-style-type: none"> Net sales and EBITDA growth from FY18 to FY19 is directly related to the growth in the Company's Designer lines; the monthly average increased from 3,232 at Dec-17 to 16,734 at Dec-20. Management represented the key factor in declining EBITDA in LTM Nov-20 was inefficiencies in the Company's shipping and fulfillment operations, for which the Company is taking steps to shift from 3PL to self-managed. 	<ul style="list-style-type: none"> Net working capital is significantly impacted by movements in inventory balances. COGS from Dec-18 through Jun-20 increased as the Company built inventory after a period of fulfillment issues and challenges in shipping inventory primarily due to COVID-19. The Company anticipates some level of seasonality in sales generally spike in February of each year, with generally a higher concentration of sales in Q4. 	<ul style="list-style-type: none"> Reported indebtedness includes a PPP loan provided under the CARES Act, and a minimal capital lease obligation. The primary components of debt-like items as of Nov-20 are: (i) commissions to third-party Designers; (ii) off-balance sheet lease commitments; (iii) off-balance sheet commitments for unused Designer dollars; and (iv) sales tax and credit card payable.

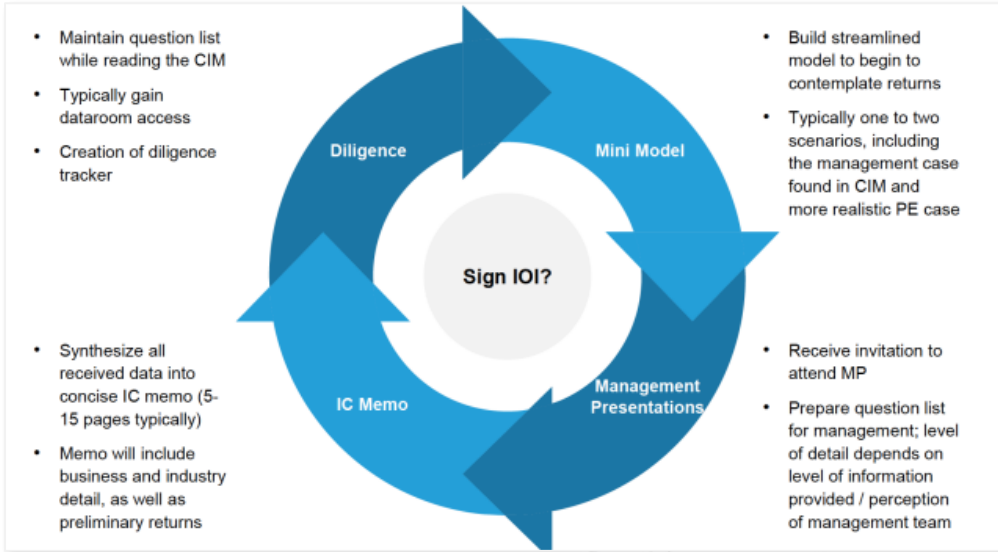
Confidential Draft



Project Balboa Fact Sheet



CIM Overview



Content	Process Detail	Associate Role
<p>financial performance, and the management team</p> <ul style="list-style-type: none"> Transaction overview and investment highlights Business overview Industry overview Management introductions Financials – detailed historical and projections 	<ul style="list-style-type: none"> Receipt of CIM occurs post NDA execution Bankers typically send the CIM directly, bypassing company management <p><u>Next steps:</u></p> <ul style="list-style-type: none"> Post-CIM receipt, interested buyers are expected to sign an Indication of interest ("IOI") 	<ul style="list-style-type: none"> Associates review CIMs in detail and are often required to succinctly summarize findings VPs also read through the CIM to understand the business <p><u>Objectives:</u></p> <ul style="list-style-type: none"> Having received more detail, what is our level of interest and how should we value this business? What additional questions does the document raise?

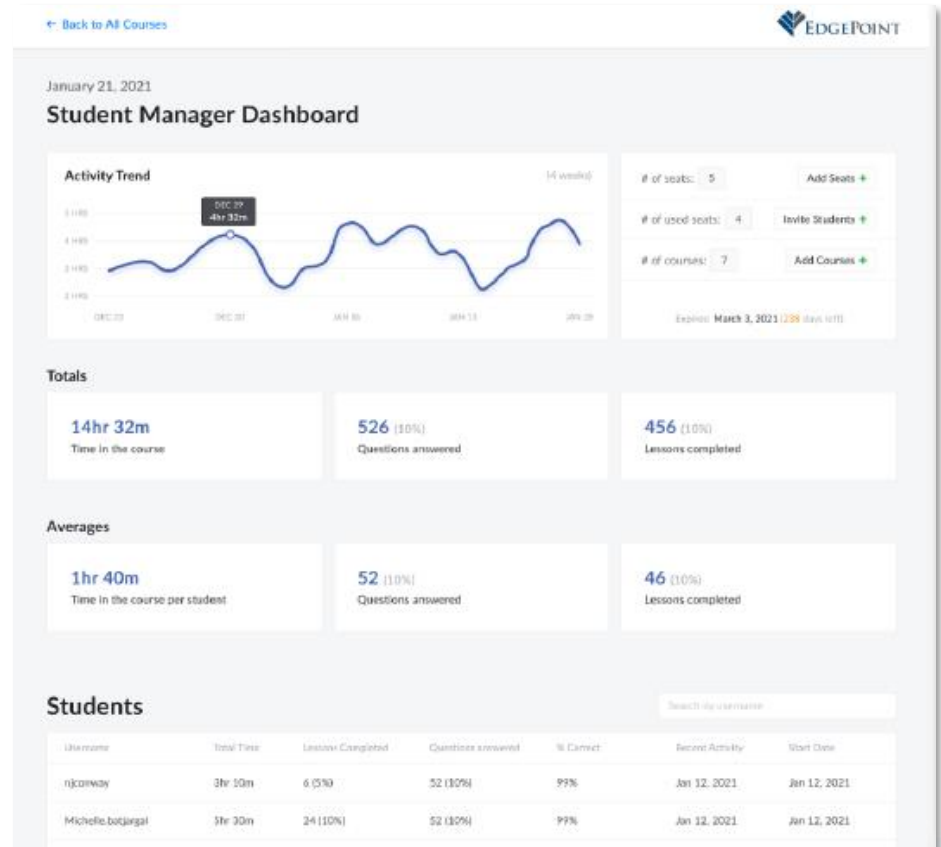
Appendix V

Beyond The Classroom

Progress Dashboard

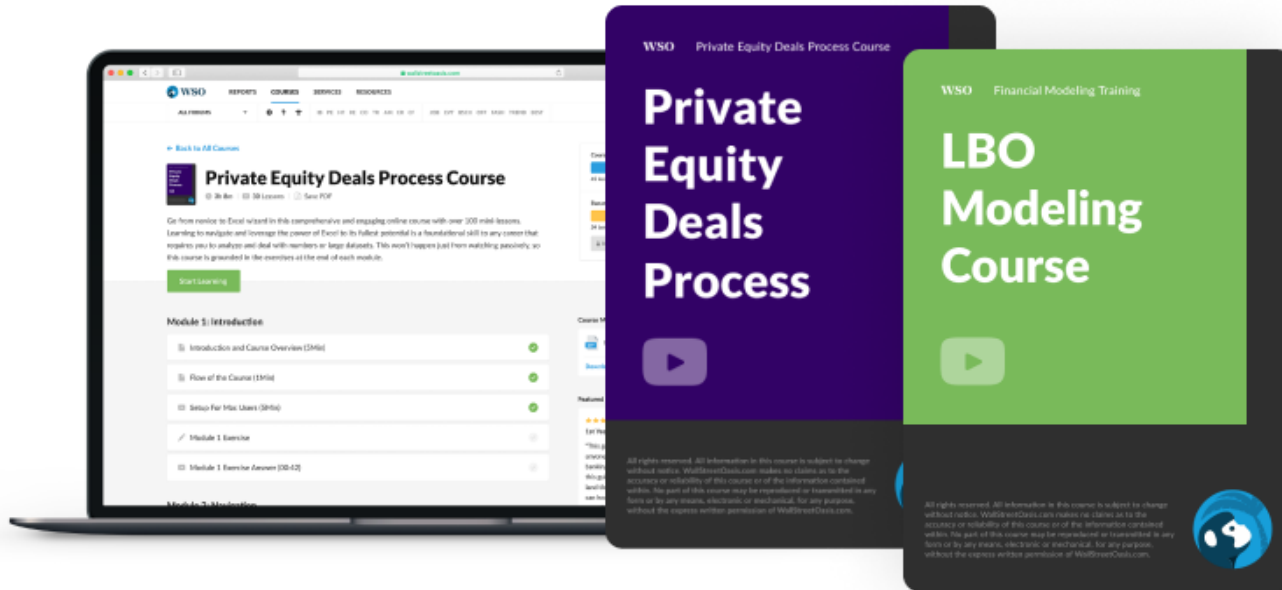
Track your team's progress

- Track time spent in the course
- Track % of lessons completed
- Track % of quiz questions answered correctly
- Assign due dates
- Invite new employees/interns
- Benchmark to older employees



Post Training Course Access

Lifetime online course access to encourage learning and review beyond the classroom.



Next Steps



Book a Call at <https://calendly.com/wallstreetoasis/10-min-wso-training-li>

or

Email us at Licenses@WallStreetOasis.com

