

INVESTMENT MEMORANDUM

Meridian Holdings

Date: October 15, 2023 | Prepared by: John Smith

EXECUTIVE SUMMARY

Meridian Holdings is a leading player in the precision manufacturing sector, specializing in high-quality components for the automotive industry. This investment presents an opportunity to capitalize on increasing demand driven by the automotive sector's transition to electric vehicles.

COMPANY OVERVIEW

Founded in 2005, Meridian Holdings is headquartered in Detroit, Michigan. The company specializes in precision manufacturing of components for various industries, with a strong focus on the automotive sector. With a reputation for quality and innovation, Meridian has established long-term partnerships with major automotive manufacturers.

INVESTMENT THESIS

- Strong growth potential fueled by the rising demand for electric vehicle components.
- Robust

FINANCIAL SUMMARY

Revenue (TTM)	\$120M
Revenue Growth	15%
EBITDA (TTM)	\$24M
EBITDA Margin	20%
Net Debt	\$30M
EV/EBITDA	8.0x

HISTORICAL FINANCIALS

Year	Revenue	EBITDA	Margin
2021	\$90M	\$15M	16.7%
2022	\$105M	\$21M	20%
2023	\$120M	\$24M	20%

KEY RISKS AND MITIGANTS

Risk	Mitigant
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Supply chain disruptions due to global events	Diversify supplier base and increase inventory levels.
Regulatory changes impacting manufacturing operations	Engage with industry groups to stay abreast of changes.
Increased competition in the precision manufacturing space	Continually invest in R&D to maintain technological advantage.

VALUATION SUMMARY

Enterprise Value	\$192M
Equity Value	\$162M
EV/Revenue	1.6x
EV/EBITDA	8.0x
Target IRR	20%
Target MOIC	2.5x

RECOMMENDATION

INVEST. The strategic positioning of Meridian Holdings within the growing electric vehicle segment, combined with strong historical performance and a clear path for growth, presents an attractive investment opportunity.