

# INVESTMENT MEMORANDUM

## Acme Corporation

Date: October 23, 2023 | Prepared by: Jane Doe

### EXECUTIVE SUMMARY

Acme Corporation presents an attractive investment opportunity in the retail sector, showcasing a strong brand presence and robust financial performance. With a strategic focus on e-commerce and in-store experiences, Acme is well-positioned for sustainable growth.

### COMPANY OVERVIEW

Founded in 2005, Acme Corporation is a leading retail company specializing in consumer electronics and household goods. Headquartered in Dallas, Texas, the company operates over 300 stores nationwide and has a rapidly growing e-commerce platform. Acme has established itself as a trusted brand with a loyal customer base.

### INVESTMENT THESIS

- Strong brand recognition and customer loyalty provide a solid foundation for revenue growth.
- Expansion into new markets and product lines.

### FINANCIAL SUMMARY

Revenue (TTM)	\$500M
Revenue Growth	10%
EBITDA (TTM)	\$75M
EBITDA Margin	15%
Net Debt	\$150M
EV/EBITDA	6.0x

### HISTORICAL FINANCIALS

Year	Revenue	EBITDA	Margin
2021	\$400M	\$55M	13.8%
2022	\$450M	\$65M	14.4%
2023	\$500M	\$75M	15%

### KEY RISKS AND MITIGANTS

Risk	Mitigant
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Increased competition from e-commerce giants	Invest in technology and marketing to enhance online presence.
Supply chain disruptions affecting inventory levels	Develop alternative supplier relationships and inventory management strategies.
Economic downturn impacting consumer spending	Diversify product offerings and focus on value-oriented products.

VALUATION SUMMARY

Enterprise Value	\$450M
Equity Value	\$300M
EV/Revenue	0.9x
EV/EBITDA	6.0x
Target IRR	20%
Target MOIC	2.5x

RECOMMENDATION

**INVEST** based on Acme Corporation's strong market position, growth potential in e-commerce, and solid financial performance. The valuation appears attractive, and the company is well-positioned to capitalize on emerging market trends.