

Investment & Deal Making

Girish Nadkarni

Partner - Private Equity

IDFC Alternatives

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What attracts PE funds?

- Business Attractiveness
 - *Growth*
 - *Porter's Five Forces*
 - *Mullin's Seven Domains*
- Competitive Advantage / USP
- Innovative / Disruptive Business Model
- Operating Leverage
- Monopoly/Oligopoly
- Impact of External Environment
- Vision and Passion of promoters
- Governance, Ethics & Transparency
- Impact & Sustainability
- Attractive Valuation and ability to value-add
- Visibility on Exit

Dos of Deal Making

- ✓ No short cut to rigorous analysis and top down approach
- ✓ Meetings with stakeholders
- ✓ in-depth- understanding of Business Dynamics
- ✓ Building promoter relationship
- ✓ Proprietary Financial Model
- ✓ Scenario Analysis, Tornado, S Curve,
- ✓ Comprehensive Screenings
- ✓ Creating win-win Structures
- ✓ Strong Agreements
- ✓ Agreements on transformation-system, processes
- ✓ Invest at right valuation & protect downside
- ✓ Analyze post investment resource and capabilities
- ✓ Make 100 day plan
- ✓ Meaningful role for PE in strategic development of company

Don'ts of Deal Making

- Don't fall in love with the deal
- Don't invest in business you don't understand
- Don't invest if valuations are beyond comprehension
- Avoid auctioned transaction
- Avoid shady intermediaries
- Don't ignore DD issues

Where should you invest....Hot Sectors

- Agriculture & Rural value chain
- Consumption
- Financial Infrastructure
- Social infrastructure- Healthcare, Education & Hospitality
- Renewable Energy

THANK YOU