

DT-LBO-01 | MIDWEST HVAC SERVICES

Base Case Assumptions Sheet

This document summarizes the operating and transaction assumptions used in the DT-LBO-01 student workbook. Students should reference these assumptions when completing the financial model. Illustrative figures are provided for educational purposes only.

Category	Assumption	Base Case	Notes
Transaction	LTM Revenue	\$50.0M	Historical 2024 revenue
Transaction	LTM EBITDA	\$10.0M	20.0% EBITDA margin
Transaction	Entry Multiple	8.0x	Enterprise value = \$80.0M
Transaction	Enterprise Value	\$80.0M	Purchase price
Transaction	Transaction Fees	\$2.0M	Included in uses
Financing	Senior Debt	\$45.0M	4.5x Debt / EBITDA
Financing	Sponsor Equity	\$37.0M	Balances total sources
Financing	Interest Rate	8.0%	Annual cash interest
Operations	Revenue Growth	5.0%	Applied annually
Operations	EBITDA Margin	20.0%	Maintained throughout forecast
Operations	Depreciation	2.0% of Revenue	Forecast assumption
Operations	Capital Expenditures	3.0% of Revenue	Forecast assumption
Operations	Cash Tax Rate	25.0%	Applied to taxable income
Exit	Hold Period	5 Years	Investment horizon
Exit	Exit EBITDA Multiple	8.5x	Applied to Year 5 EBITDA

Modeling Instructions

- Blue cells in the workbook represent inputs.
- Grey cells contain formulas and should not be overwritten.
- Use linked cell references rather than hardcoded values.
- Confirm Total Sources equals Total Uses.
- Debt balances may not fall below zero.
- Calculate MOIC and IRR using the workbook formulas only.
- Test sensitivity tables using the prescribed revenue growth and exit multiple scenarios.

Confidentiality Notice

This assumptions sheet is proprietary educational content developed for the PE Edge LBO Modeling Series and is intended solely for authorized students.