



What we bring to Private Equity clients



삼일회계법인

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Foreword

Over the past decade, the private equity industry has been showing remarkable growth in terms of the size of assets under management, as well as the number and value of executed deals in the M&A market. Concurrently, private equity firms ('PE Clients') have become one of the most important clients for the Deals Team at Samil PwC.

Considering this dynamic growth, Samil PwC's Private Equity Service Team ('PE Service Team') has been further developing its expertise to provide customized solutions tailored to the needs of PE Clients.

Particularly, in line with the changing economy and deal environment, we have moved away from more traditional services, such as due diligence and valuation, which have been provided to PE Clients in the past, and have expanded our scope of business to VGiD (Value Creation in Deals) Service, which offers necessary services throughout the deal life cycle, such as deal organization, deal strategy, and deal structuring & exit plan, and D&A (Deal Analytics) Service, which provides a more insightful analysis by analyzing vast amounts of deal-related data utilizing the latest technologies.

As such, Samil PwC's PE Service Team continues to strive to provide its PE Clients with customized one-stop services, which are comprehensively described in this brochure.

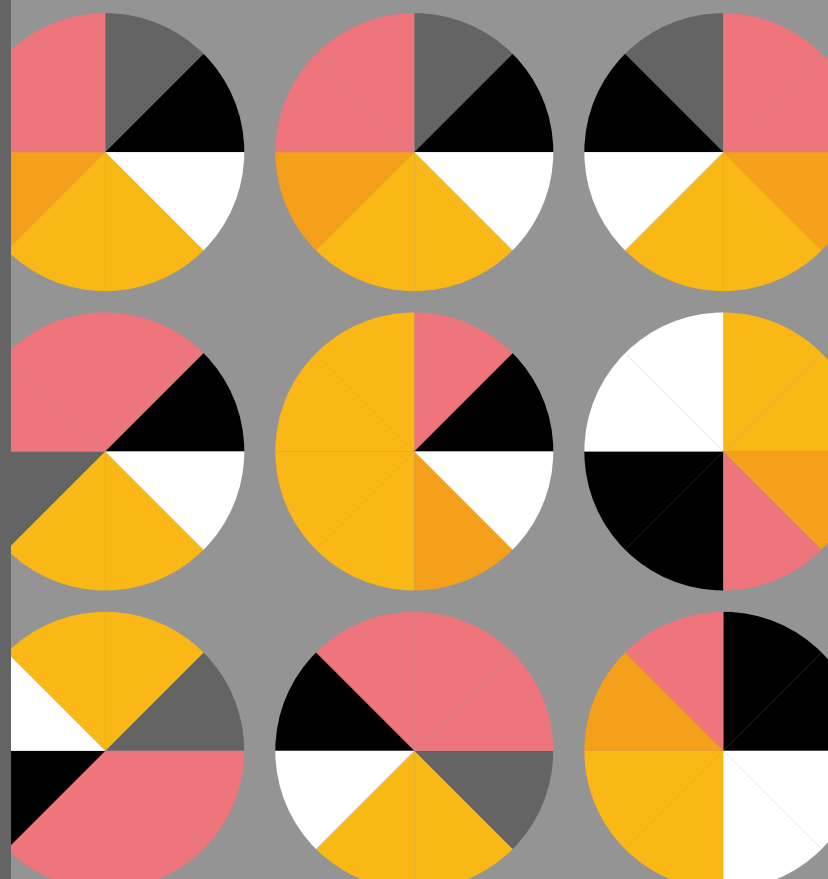
We are pleased to have the opportunity to guide you through the leading services of Samil PwC's PE Service Team with these introductory materials, and we sincerely hope that you will continue to achieve successful results together with us.



Deals Leader
Sang-Soo Yoo

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What's important to you is...

We laser-focus on your needs and execute accordingly.

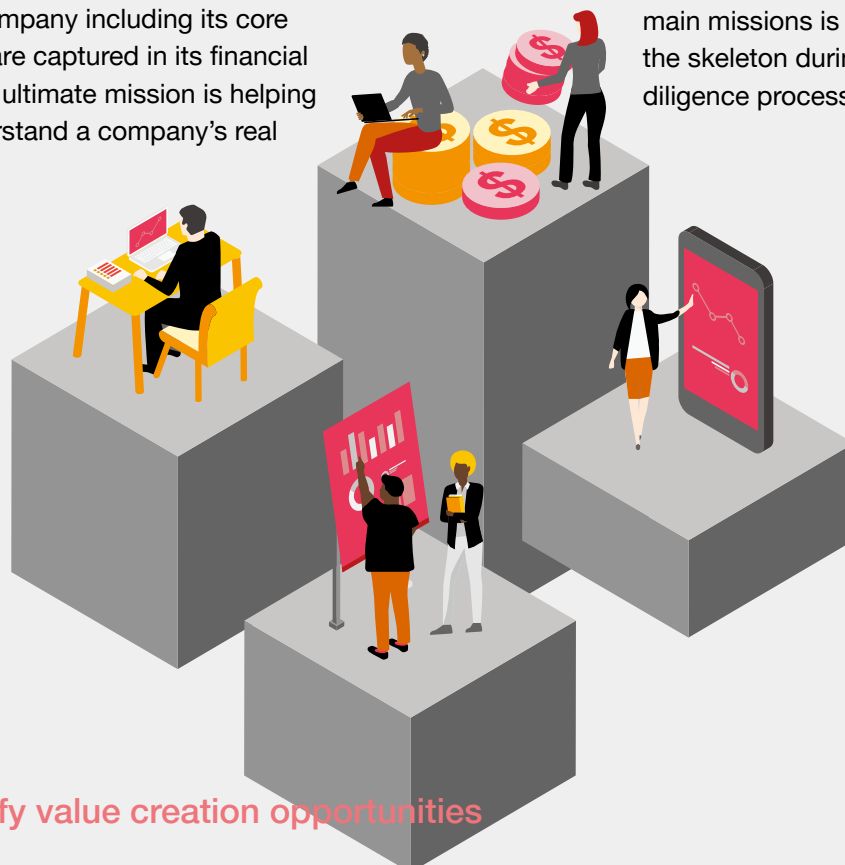
Understand a target company from an accounting perspective

"Money talks"

Without knowing someone's history, you cannot understand its real life, which means you cannot predict its future life. Without understanding a company's financial statements, you cannot estimate its future performances. Please bear in mind all activities of a company including its core value and risks are captured in its financial statements. Our ultimate mission is helping you totally understand a company's real features.

Identify & quantify the deal breakers, if any (how big and how many?)

Skeleton coming out of the closet post to the deal will deteriorate not only your fund but also your team. One of our main missions is to identify and quantify the skeleton during the financial due diligence process.



Identify value creation opportunities

Focusing on risk only is imprudent. Hidden up-side potential & performance must be sought by you and your advisors. We understand the importance of such hidden up-side potentials for you to win the race, we thus make our best efforts in identifying hidden up-side potentials whilst we do our best to identify the skeleton.

What makes us different?

We developed a team of highly sophisticated specialists to provide you with dedicated solutions specifically adapted to your Private Equity firm.



Experience

Selected advisor on majority large PE deals in Korea

Name a large PE deals in Korea. We have a proven track record in delivering services in all those transactions. Our history is no other than Korean PEs' history.



Knowledge

Extensive PE deal know-how and knowledge

Our specialists have a profound knowledge and long-term experience in transactional environment and therefore are well acquainted with the multifaceted challenges in the private equity sector.



Value
focused

Our focus is on creating value by supporting clients at all phase of a transaction

No matter if private equity house or portfolio company - we support you in all phases of an investment: from mergers & acquisitions to deals as well as valuation, tax services, audit & accounting and exit services.

How are we perceived by our clients and other advisors in the market?



Our clients say...

We have been widely recognized for our quality of services provided to Private Equity clients. The justification for our team's existence is to "maximize our client's satisfaction"

"The Samil PwC team is thorough, detail-oriented, and possesses deep insight across multiple industries based on their extensive local and international network. We enjoy working with the Samil PwC team from both a professional and personal perspective and consider them as an extension of our firm."

Sam Lee

Partner | Affinity Equity Partners

"Samil PwC team is an outstanding group of professionals that I can always rely on as a trusted advisor for private equity transactions. This team is fully dedicated in addressing the client's needs, and combines technical excellence with a sound commercial perspective."

Hanchul Kim

Managing Director | Baring Private Equity Asia

"Samil PwC team has always showed the best-in-class performance, working with us on various projects over the past years, and has been the most reliable advisor in the market. We appreciate the quality support and commitment from Samil so far and expect to continue our sincere partnership with each other going forward."

Eugene Hahn

Director | Carlyle

"Samil PwC team has profound understanding of how sponsor clients approach and assess potential investment opportunities and what they expect from an accounting advisor in M&A transactions. His team has never failed to deliver the highest quality service to most sophisticated sponsor clients and has an excellent track record of advising major PE firms in Korea."

Chulhwan Kim

Director | CVC Capital

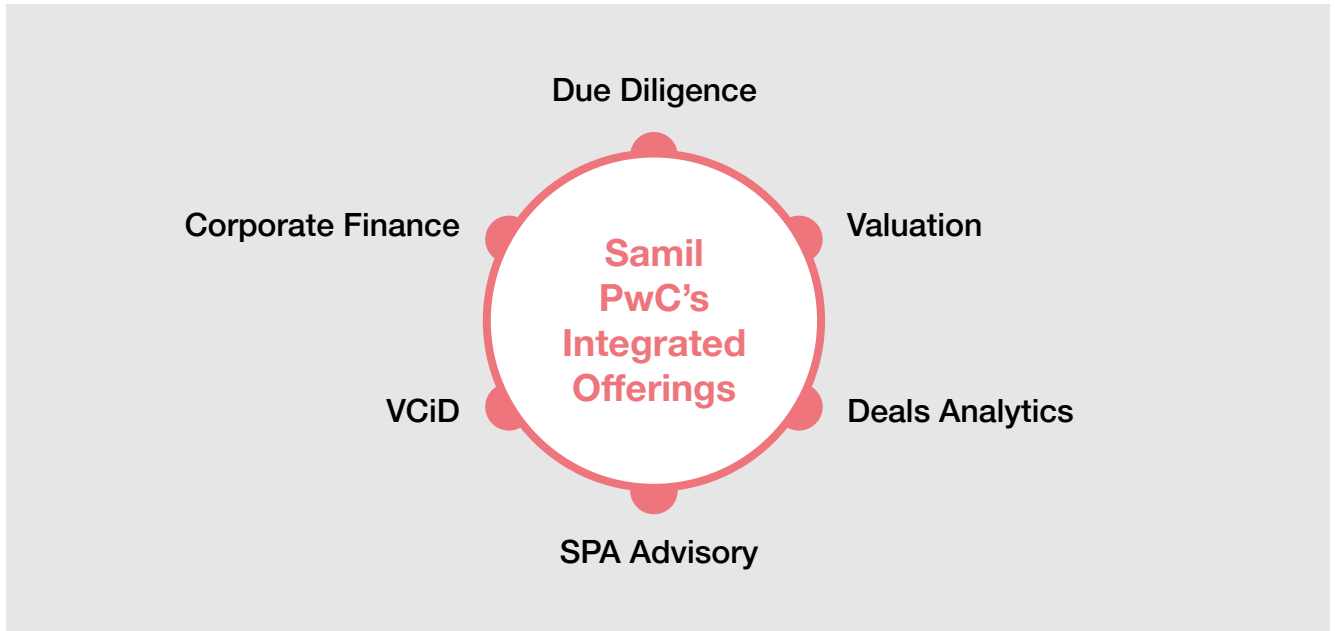


*How we can add value
and help to achieve
your goal...*



Why do you need us?

We can add value through the deal continuum of Private Equity firms



As the private equity market is becoming more challenging than ever, the PE funds need expert advice to secure promising deals and eventually create value for their investors. Some of the typical challenges encountered by PE funds include identifying the right targets, assessing the risks involved through a robust due diligence process, reasonable pricing of the deal and achieving profitable growth leading to a successful exit.

In order to meet these challenges, PE funds require a dedicated team of experts equipped with the necessary skills and a clear understanding of the private equity value chain. Thus we have brought together a multi-disciplinary team of deal experts and consultants with the skills and experience to deliver our unique approach in serving PE clients throughout the deal continuum.

This is a market with huge potential. But the standard deal value playbook that has served financial investors during previous market cycles can no longer deliver return expectation on its own. Leading PE firms are therefore rethinking value creation in deals and reaping the rewards. *I'm confident that with the right planning and approach, others can share their success.*

Malcolm Lloyd
Global Deals Leader | PwC

1. Due Diligence

Our Private Equity Service Group offers a multi-disciplinary team and a range of integrated solutions throughout the different stages in the Deal Continuum.

Audited financial statements and acquisition due diligence – how do they link?

- Audited financial statements are based on Generally Accepted Accounting Principle and historical information, while deal value is based on cash flows and the future. As such, assessing deal value requires a deeper evaluation of the underlying value drivers that can only be assessed at more granular levels of information. Additionally, audited financial statements don't cover subsequent results which can be the most important element for the baseline forecast.
- Audited financial statements are also based on judgments and estimates involving complex transactions. Understanding those judgments and estimates is not only a key part of understanding historical business performance, it also informs one's evaluation of future cash flows and purchase price. That understanding, however, cannot be obtained just by reading the financial statements alone.
- Value also comes from synergies which require more detailed financial insight.

Due diligence – How much due diligence is enough?

- The key diligence objectives should include whether the strategy has been validated and the deal terms and valuation drivers are supportable from the buyer's perspective. This involves some judgment regarding risk areas and the comfort level required to sign off in the context of the overall transaction.
- The risk based assessment should happen within each functional team – financial, accounting, tax, information technology, human resources, sales, operations, research and development, legal, etc. – and then overall for the entire transaction. Balancing demands for incremental information and due diligence against the deal pressure is often challenging. However, management should have a process to ensure satisfaction with the primary deal drivers and other items affecting value.
- While every deal is different, we believe minimum standards for diligence should be established. The standards can be customized to the requirements of each deal, but significant gaps from minimum standards should be communicated to key decision makers.
- Samil PwC's due diligence services are supported by industry knowledge, our extensive network of clients and contacts and our primary research capabilities, all of which help us overcome the challenges of finding answers in data-poor environments. Our team has worked with many of the leading private equity investors around the globe and is well versed in the deal process and the requirement for speed, accuracy and reliability.

Our due diligence process focuses on identify risks, exposures, and opportunities early in the process.

Buy-Side Due Diligence

When a company is up for sale – or wants to sell off one of its divisions – buyers need a detailed report attesting its financial health. As such, we focus on the following areas:

- Understanding the client base and contract terms
- Analyzing the profitability and changes over time
- Understanding the historical performance of the products and services sold, including comparisons with peers
- Analyzing the target's Quality of Earnings, normalizing EBITDA for periods driving the deal valuation, and understanding the running EBITDA
- Analyzing the Quality of Assets, debts and specific debts like items and off balance sheet contingencies
- Understanding historical working capital, cash flow management, and future capital requirements
- Linking historical results to projections/ valuation models, scrutinizing the projections and commenting on potential risks in seller's ability to achieve them
- Providing advice on purchase contract considerations (e.g. representations and warranties, escrow/indemnity terms and working capital closing mechanisms)

Vendor Due Diligence

- Instead of granting access to confidential information to numerous bidders so that each of them carries out its own analysis, Vendor Due Diligence provides an in-depth report on the financial health of the company that is for sale.
- This helps to significantly reduce disruptions to the business thanks to the elimination of the management of multiple and extensive data rooms and due diligence processes.
- But more importantly, it provides vendors with greater control over the sale process and the timing of the sale which in turn can help secure a fair price for the business.
- Samil PwC provides comfort for both buyers and sellers, taking an independent view of the business, of the company's performance and prospects.

2. Valuation

Our team has experience valuing assets using a range of standards across a broad spectrum of industries.

Today's most innovative organizations are seeking to unlock greater value from existing assets and ongoing capital expenditures—as well as new acquisitions, investments and complex corporate arrangements. At the same time, regulators are demanding greater transparency through fair value reporting, putting more emphasis on the importance of valuation and value analysis.

We bring together professionals with extensive valuation, technical accounting (US GAAP, IFRS and K-GAAP), financial reporting and industry expertise.

Samil PwC offers these advantages:

- A variety of knowledge and experience for LBO modelling that have been accumulated by working with PE funds.
- A distinctive solution that integrates valuation advice with accounting and risk management expertise.
- Valuation capabilities that span a range of needs, issues and asset categories.
- Deep experience with valuation issues unique to key industries and these specialized areas: value measurement, assessing deal value, and value analytics.
- A comprehensive approach to cross-border transactions and coordination with valuation resources throughout the global network of PwC firms in more than 157 countries.



The result:

You get the advice you need to help satisfy regulators and auditors, avoid surprises and realize greater value from transactions.

3. Deals Analytics

Helping you make better investment decisions and improve performance through data.

There is more data than ever before, but it is often hard to uncover the value behind the information that leads businesses to overlook what could be meaningful intelligence that could be the crucial value driver for your merger, acquisitions, disposal or restructuring activity.

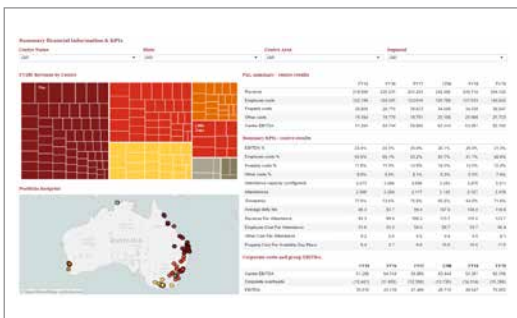
We help our clients cut through the complexities afforded by too much data with our industry expertise and advanced analytics.

We drive value creation by combining our deep deals, operational and strategic expertise with the latest cutting edge technologies to realize better business outcomes throughout the entire deal lifecycle.

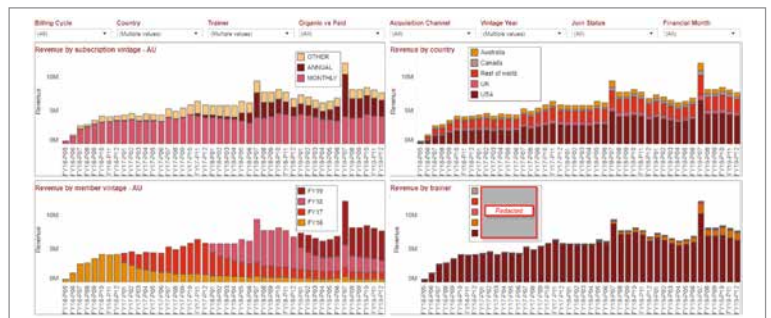


- Preparation for Sale : Articulate a compelling and robust investment story, leveraging the latest analytics technology to understand full value creation potential.
- Execution - sell side : Apply data analytics to bring a richer understanding of the business value and drive better results on deal objectives
- Execution - buy side : Evaluate the commercial attractiveness of a target business, through quantifying and validating full upside value potential using data-driven innovation
- Post deal value creation : Grow enterprise value by identifying and implementing value creation opportunities and optimizing business performance through data-driven approach and real time analysis.

Multisite analysis



Online subscription business - subscriber vintage analysis



4. SPA Advisory

Post-deal our team will assist you in protecting or generating value through the execution of any SPA completion mechanism.

In any transaction, the Sale and Purchase Agreement (SPA) represents the outcome of key commercial and pricing negotiations. Purchasers and Sellers are becoming increasingly sophisticated in seeking to exploit the potential value to be gained through the negotiation and execution of the SPA.

Our SPA services include:

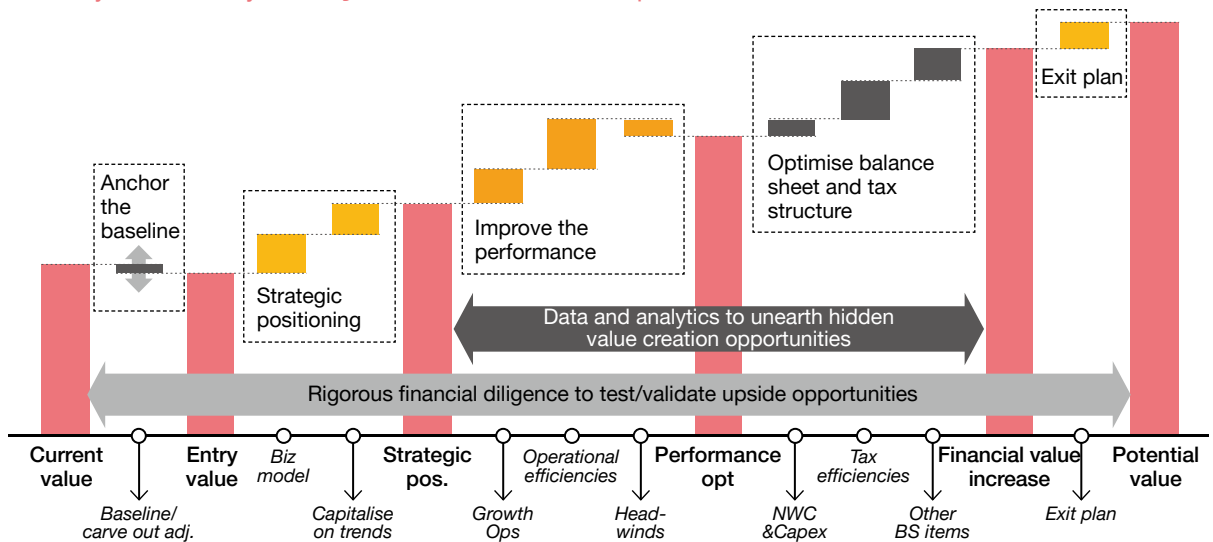
- We can assist you and your advisers in considering the adjustments to be made between Enterprise Value and Equity Value and in formulating the arguments and counter-arguments required to justify your proposed approach;
- We can advise you in your determination of the appropriate financial benchmarks (or appropriate adjustments to price in the case of a 'locked box' (fixed price) mechanism) and related arguments, for the purposes of price negotiation and drafting the SPA;
- We can advise you in your analysis of the working capital requirements of the business with a view to you determining the normalized working capital for the purposes of your negotiation of the SPA;
- We can work with you in mitigating the risks identified during the due diligence phase;
- We can advise you in your negotiations of the accounting aspects of the SPA. Such advice would include commentary on the pricing mechanism, relevant representations and warranties (if any), any other accounting related clauses of the SPA related to the purchase price adjustment


5. Value Creation in Deals

For successful exit, value creation pre and post deal is as important as deal execution. Effective value creation plans are comprehensive, covering all aspects of a deal.

To realize value creation, it is vital for (i) PEF’s internal investment and operation experts, (ii) management of the target and (iii) external experts to preliminarily build a comprehensive post acquisition road map in the origination stage of the deal. The following chart illustrates an example of value creation plan post deal:

Every value bridge will have different components.
The key is to identify the **key value levers** on each specific deal.





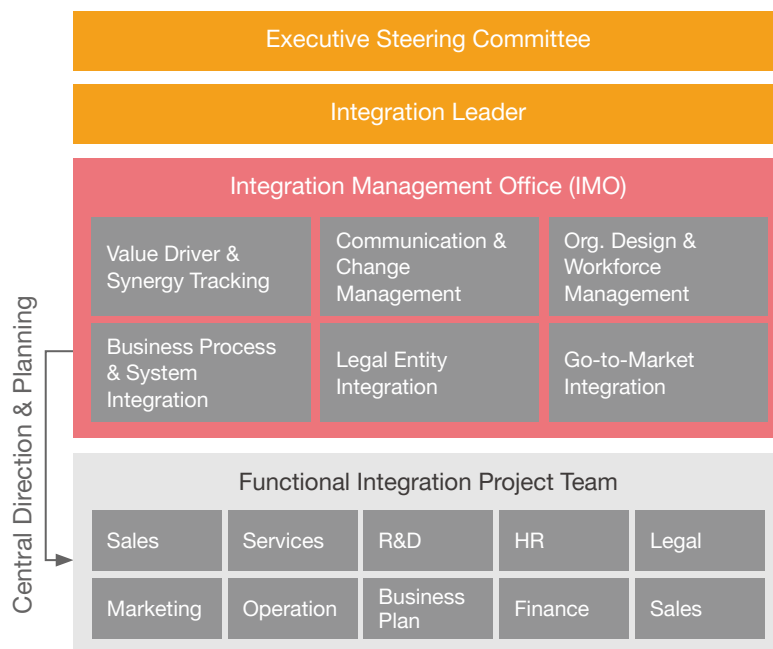
PwC and our specialists across all industry sectors and service types can provide you a one-stop service to realize value creation.

We can help you achieve successful exit by providing you a comprehensive service that encompasses all stages of the investment life cycle with a team that is ideal for your transaction.

5. Value Creation in Deals (continued)

Successful integration process during the first year post transaction impacts the performance throughout the entire life cycle of the investment until exit.

An essential short-term task to realize value creation is building a suitable integration process. We can support you to improve the integration process through collaborating with IMO and respective functional teams. We also provide customized services to accommodate diversified needs that arise from varying strategies for the investment and capabilities of the target in different transactions.



We provide VGiD services including the following:

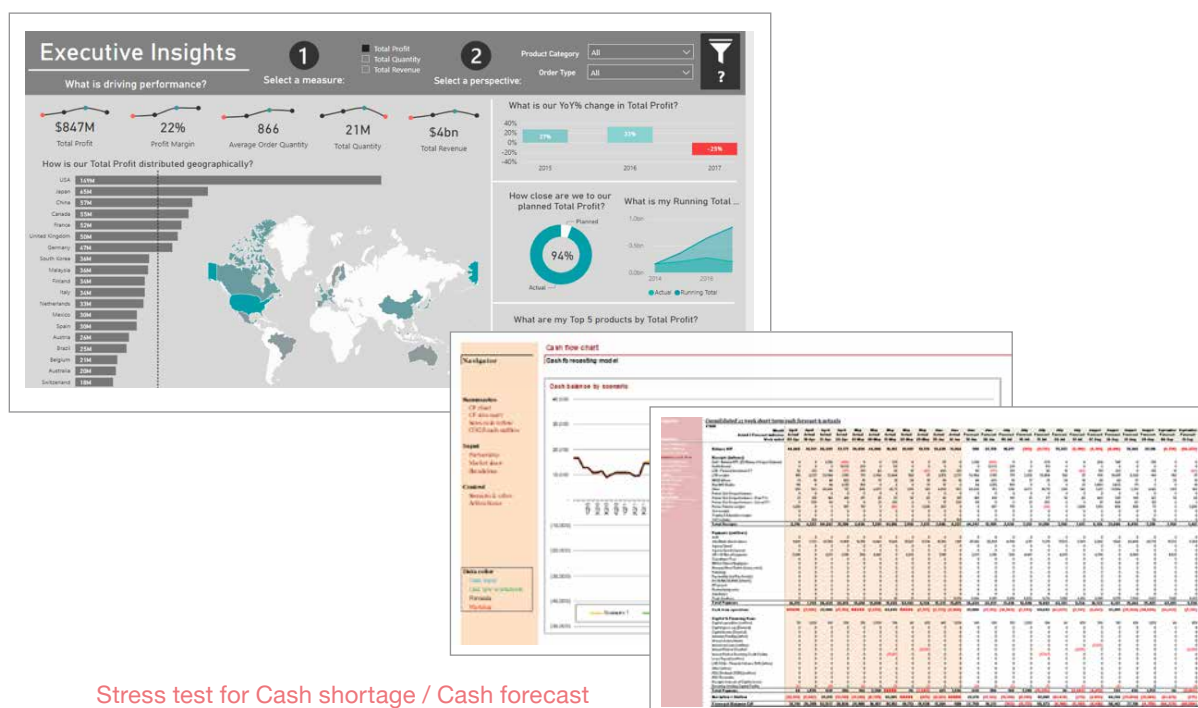
- Plan for Day 1 and Day 100:** assist in step-by-step integration through forming checklist & monitoring.
- Organizational support:** identify respective divisions' existing R&R, assist planning for organizational efficiency.
- Improve management accounting system:** evaluate existing reporting system, identify/redefine KPI, create/set KPI dashboard and GP/LP reporting template.
- Support business planning** (by business unit and product at CM level) and **create simulation tools** (assessing macro-economic impact on business)

Multisite analysis

ID	Task Name	Task Owner	Day 100 [Y]	Dependency	Status (Open, In-Process, Closed)	Duration	Finish Date	Priority
TR.0	Treasury							
TR.1.0	Project Management							
TR.1.1	Develop project team and perform ongoing project management activities		Y		In Process	Ongoing	31-Jan-07	Med
TR.1.2	Provide weekly finance status updates		Y		Ongoing			Med
TR.1.3	Track and communicate open items/issues log		Y		Ongoing			Med
TR.1.4	Monitor and update workplan		Y		Ongoing			Med
TR.1.5	Update Steerpoint		Y		Ongoing			Med
TR.2.0	Strategy, Organization and Governance							
TR.2.1	Develop and state treasury organization		Y	Tax, legal	In process		31-Mar-07	Med
TR.2.2	Define role and scope of activities to be performed by [CLIENT SUB] treasury department		Y		In process		31-Jan-07	Med
TR.2.3	Determine treasury goals, objectives and performance metrics		Y		In process		31-Jan-07	Med
TR.2.4	Develop annual treasury operating plan and budget		Y		In process		31-Jan-07	Med
TR.2.5	Develop governance and control elements		Y		Open		28-Feb-07	Med
TR.2.6	Determine organizational structures required to provide governance and oversight over treasury activities		Y					Med
TR.2.7	Develop organizational structures to provide governance and oversight over treasury activities (e.g., risk committee)		Y					Med
TR.2.8	Determine business activities that require specific treasury review / approval (e.g., M&A, guarantees, letters of credit, leasing)		Y					Med
TR.2.9	Determine optimal location for Treasury center		Y				31-Mar-07	Med
TR.2.10	Determine linkages / handoffs with internal [CLIENT SUB] departments (ie. Tax, Accounting, Payroll, AP, AR, Investor Relations, HR)		Y	Tax, Accounting, Payroll, AP, AR, Investor Relations, HR	In Process		31-Jan-07	Low

- **Support cost saving planning:** identify potential cost savings through in-depth analysis of historical cost structure.
- **Support working capital improvement:** identify potential improvement in cash operation by managing A/R, A/P and inventories and plan actions in case of cash shortage through stress test)
- **TSA management for carve-out deal:** monitor service fee and set up payment process, TSA exit planning, negotiations with the seller regarding ambiguous clauses in contracts

KPI Dashboard



Stress test for Cash shortage / Cash forecast



Sometimes we inject VCiD concept into our vendor due diligence report to show the potential upside of a target.

6. Corporate Finance

Our Corporate Finance specialists help you source the right deals, execute transactions effectively and maximize the sale price by finding out a right buyer.

An essential aspect of maximizing the return on your deal is to ensure that you extract every cent of value. Our local specialists work together to optimize the opportunities that arise and our local knowledge coupled with the knowledge of all components of the transaction complement each other to help you achieve profitable growth.

Our global network in combination with our extensive industry knowledge means that we are in constant touch with the markets and can spot opportunities in any industry and assemble teams to execute a deal as the need arises:

- On **sell-side mandates**, we identify appropriate buyers and will implement a competitive sale process to generate the best price and conditions for our client;
- On **buy-side mandates**, we select appropriate targets that would add value to your current business through synergies derived from the acquisition;
- Bolt-on deal strategy is getting popular in order for a portfolio company to maximize its value. Our in-depth understanding on your portfolio companies' industry can help you take advantage of the bolt-on deal strategy;
- Our extensive industry knowledge means that we can help companies identify other business that offer a **good strategic fit** and assist them with acquisitions, mergers and alliances that allow them to maintain and build their competitive advantage;
- We assist you in **building the appropriate and value creation sale / purchase strategy** and support you during negotiations with sellers / purchasers;
- We help you in each phase of the deal continuum and enable you to benefit from our **extensive experience in deal completions** (e.g. process, marketing of the transaction and SPA drafting);
- We coordinate your advisers during the acquisition / disposal process so that you focus on the strategic aspects of deals.

Do you need other accounting services?

As No. 1 accounting firm in Korea, Samil PwC provides various other services to our PE clients.

PPA (Purchase Price Allocation)

Tax return
Tax advisory service

Arbitration support

Audit

Merger accounting

Deal structuring advisory

IFRS conversion assistance

IPO Readiness





Your contacts at Samil PwC's Private Equity team

Our Private Equity relationship contacts will orchestrate all efforts within Samil PwC to assist you in your investment.

Dae -Joon Park

Seoul
Private Equity Services Leader
+82 (2) 709 8938
dae-joon.park@pwc.com

Nack-Pil Sung

Seoul
PE Financial Due Diligence Partner
+82 (2) 3781 2541
nack-pil.sung@pwc.com

Yun-Goo Kwak

Seoul
PE Corporate Finance Partner
+82 (2) 3781 2501
yun-goo.kwak@pwc.com

www.pwc.com/kr

S/N: 2011F-BR-050

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