

Case Examples

Industry Assessment: Investment Screening

Situation & Key Issues

- Client seeking to better understand the training services market to identify potential investment options, with a preference for companies successful in segment

IGS Methodology

- Initially identified 700+ market participants and applied three sets of screens:
 - Market Capitalization Screen:* Is the company large enough for the client's minimum investment requirements?
 - Strategic Position Screen:* Is the company in a rapidly growing market? Do they hold a market leadership position?
 - Investment Need Screen:* What type of investment need does the company have? (ex. Growth capital, emerging growth capital, go private transaction, strategic restructuring/transition)

Results

- Identified list of 200 companies from over 800 that passed market capitalization screen, 100 that passed the strategic screen, and 45 companies with specifically-identified investment needs that potentially required funding

Funnel

800 Public and Private Companies

Market Cap Screen

200 Companies

Strategic Screen

100 Companies

Investment Need Screen

45 Companies

Abridged Profile Example: Blue Education Group

Overview and Company Products and Services

- Overview:** Provides postgraduate education in education, accounting, health professions and IT
- Product offering:** Doctoral, master's, bachelor's, and associate degrees
- Stated strategy:** Maintain focus on advanced degrees and curricula with practical professional applications, expand program offerings and add new campuses, and acquire and consolidate attractive schools and educational programs to serve as platforms for expansion
- Recent activity:** 9/00: Entered into long term agreement to manage the J. Smith Law School of Augusta, Georgia, with an option to purchase

Financial Metrics

LTM Revenue*	\$50 MM	25% yoy growth
LTM EBIT	\$7.5 MM	17% yoy growth
EBIT Margin	15%	
Share price at 10/13/2000	10	
Shares outstanding	6.5 MM	
Cash on Hand	\$12 MM	
Long Term Debt	\$3 MM	
EV/Revenue	1.1 x	
EV/EBIT	7.5 x	

Ownership:

Insider	90%
Activity (volume/float)	1%

IGS

Investor Group Services