



Onboarding Guide

app.mosaic.pe



Getting Started

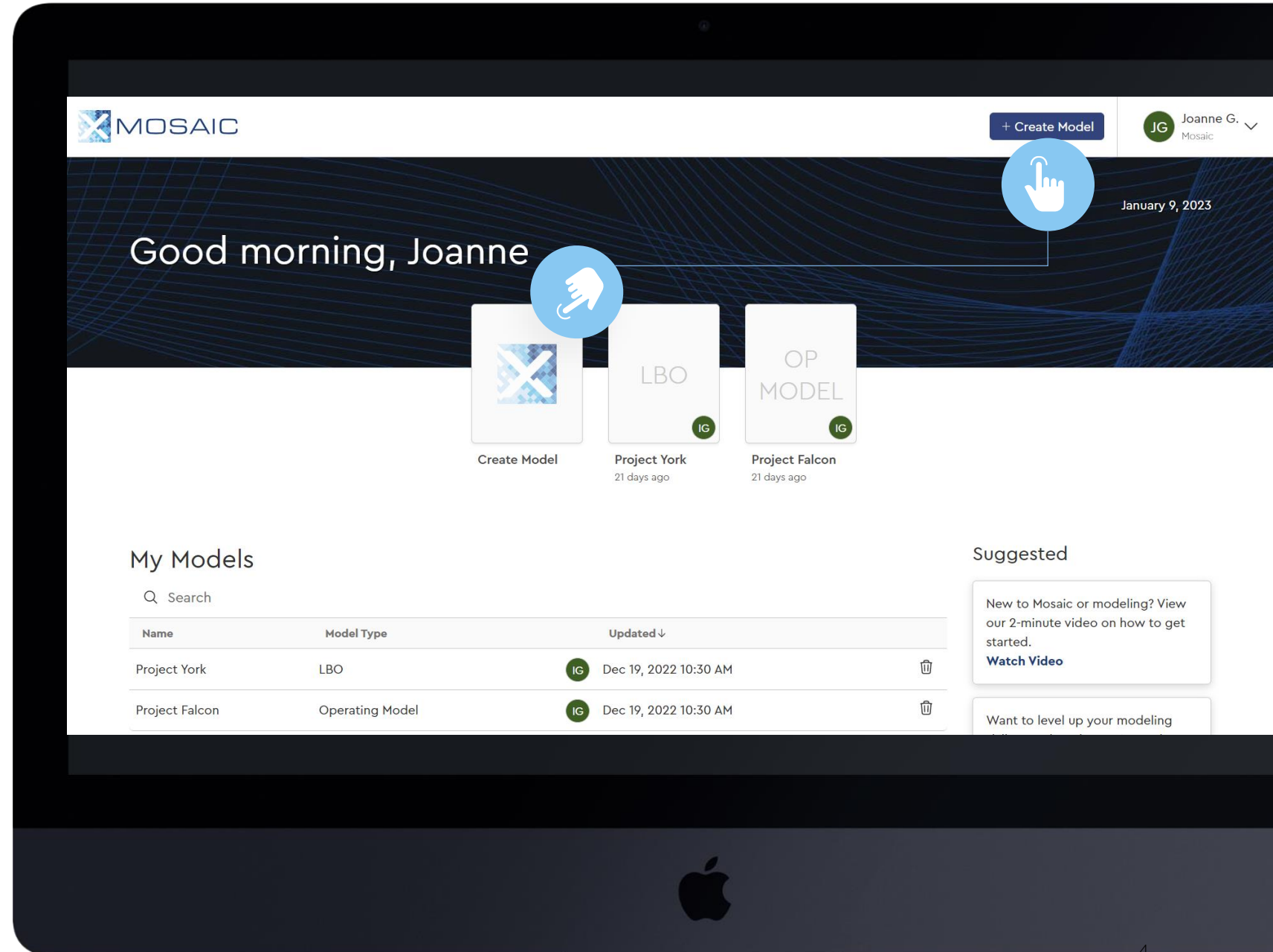
GETTING STARTED

Welcome to Mosaic

On login, you will be presented with your personalized dashboard where you can:

- Create a new model; or
- View a searchable list of your **saved models** and models that have been **shared with you**.

Let's start by creating your first **model** – click either button shown here to begin.



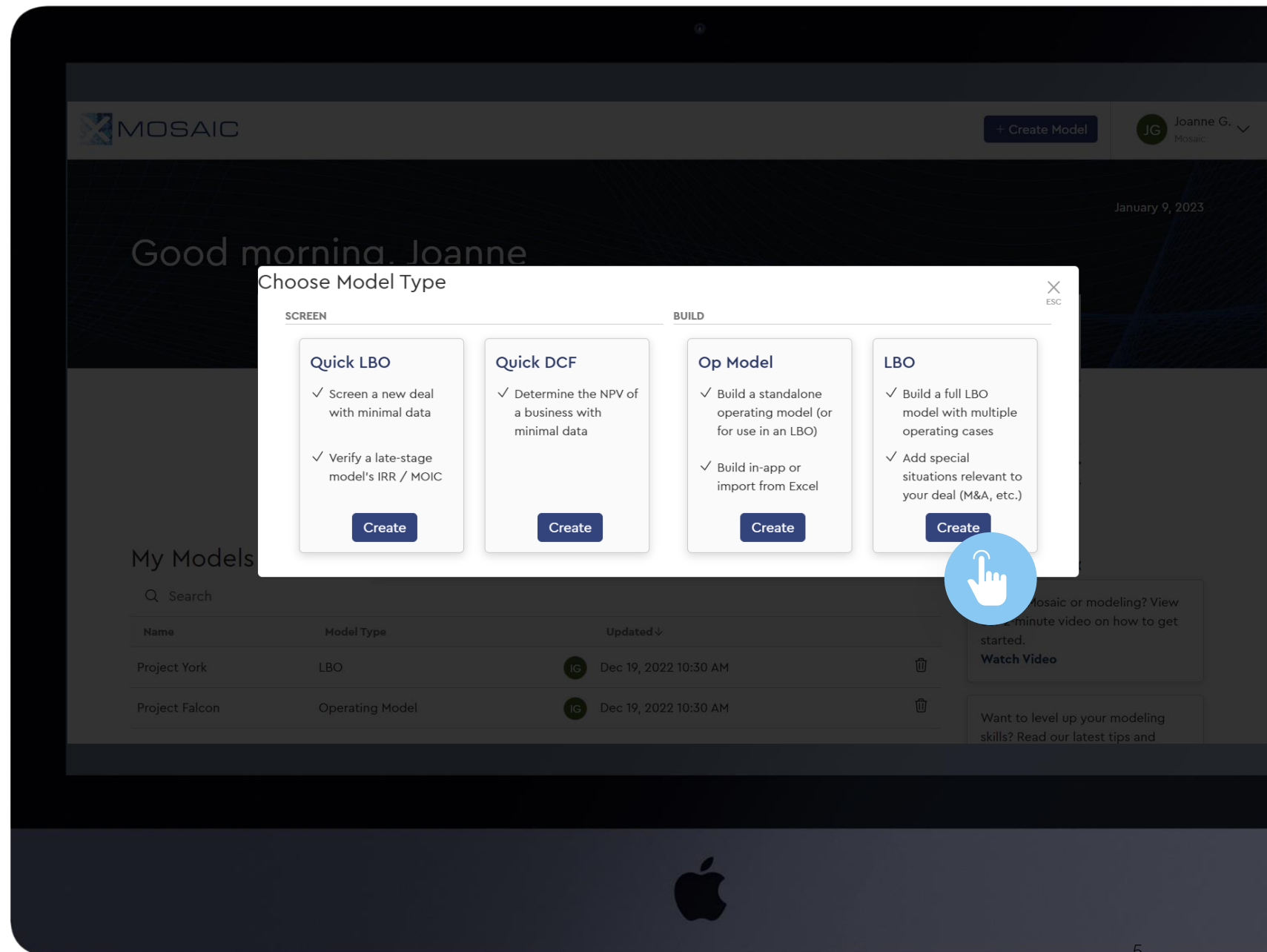
GETTING STARTED

Creating Your First Model

Mosaic has several model types purpose-built for common professional modeling situations:

- **Quick LBO / DCF.** Quickly screen a CIM or check the accuracy of a detailed model (~30 seconds)
- **LBO.** Quickly configure an LBO with the common complexities required in today's market (~90 seconds).
- **Operating Model.** Build (or upload from Excel) Operating cases used in LBOs.

Let's begin with the LBO.

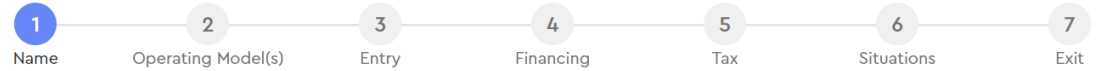


GETTING STARTED

The LBO Builder

LBOs can be built in Mosaic efficiently through the platform's 7-step model builder

Simply select a name for the LBO you want to create, and click "Next" to begin



What is the name of this model?

Cancel

Next



ESC



GETTING STARTED

Operating Models in LBOs

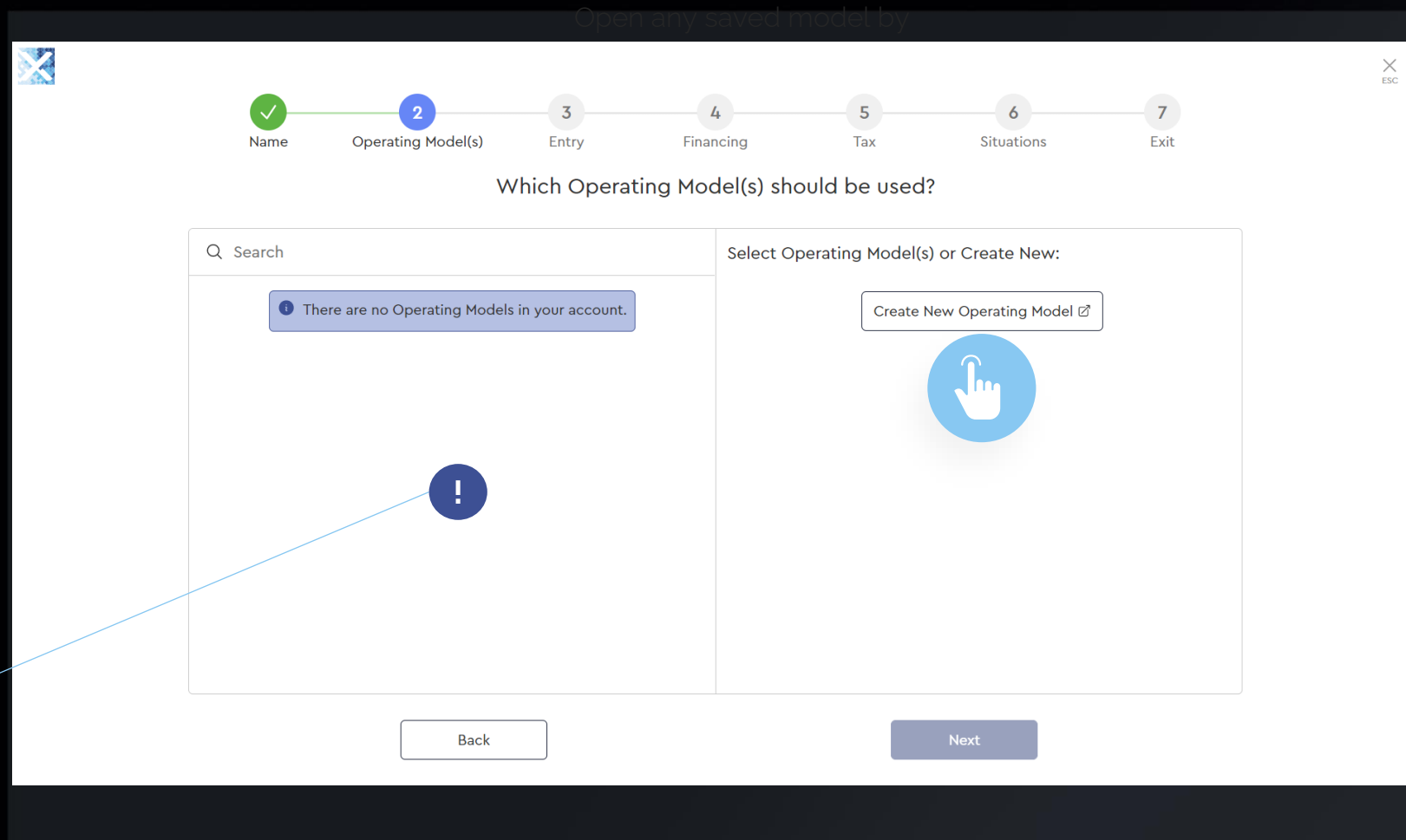
Every LBO needs at least one Operating Model.

On first login, you won't have any Operating Models (yet).

Let's start by creating a new Operating Model by clicking the button on the right-hand side of the page.

! A searchable list of your previously saved Op Models will be displayed here once you have completed and saved them.

Open any saved model by



Which Operating Model(s) should be used?

Q Search

There are no Operating Models in your account.

Select Operating Model(s) or Create New:

Create New Operating Model ↗

Back Next

GETTING STARTED

Your First Operating Model

Create your first Operating Model by:

- 1 Setting the currency;
- 2 Setting the last historical year;
- 3 Adding / removing historical or forecast years as required;
- 4 Choosing how you'd like to drive each line (i.e., Linear CAGR %, Margin Improvement, etc.)
- 5 Entering the relevant data.

Once complete, Click "Save Operating Model and Return to LBO" to continue.

Open any saved model by

My First LBO Base Case Modified Close Save Operating Model and Return to LBO

Forecast Granularity

Gross Margin / SG&A

Maintenance vs. Growth Capex

Adjustments, One-time Costs

EBITDA Adjustments

Tax-deductible OTCs

Non tax-deductible OTCs

Historical Forecast

1 \$ in millions 2 2022A

Driver	2023E	2024E	2025E	2026E	2027E	CAGR / Δ bps	
Revenue	\$ 900.0	\$ 945.0	\$ 992.3	\$ 1,041.9	\$ 1,094.0	\$ 1,148.7	5.0 %
% growth	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	
EBITDA	\$ 300.0	\$ 317.8	\$ 336.7	\$ 356.7	\$ 377.8	\$ 400.1	5.9%
% margin	33.3%	33.6 %	33.9 %	34.2 %	34.5 %	34.8 %	150bps
Capex	\$ 20.0	\$ 21.0	\$ 22.1	\$ 23.1	\$ 24.3	\$ 25.5	5.0%
% revenue	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	-
NWC Balance	\$ 100.0	\$ 105.0	\$ 110.3	\$ 115.8	\$ 121.6	\$ 127.6	5.0%
% revenue	11.1%	11.1%	11.1%	11.1%	11.1%	11.1%	-
Δ NWC	-	(5.0)	(5.3)	(5.5)	(5.8)	(6.1)	

3

4 Yearly Margins

5

! You can add more detail to your Operating Models in Mosaic by toggling on / off the switches on the left-hand side pane.

! Operating Model Data can also be imported from Excel.



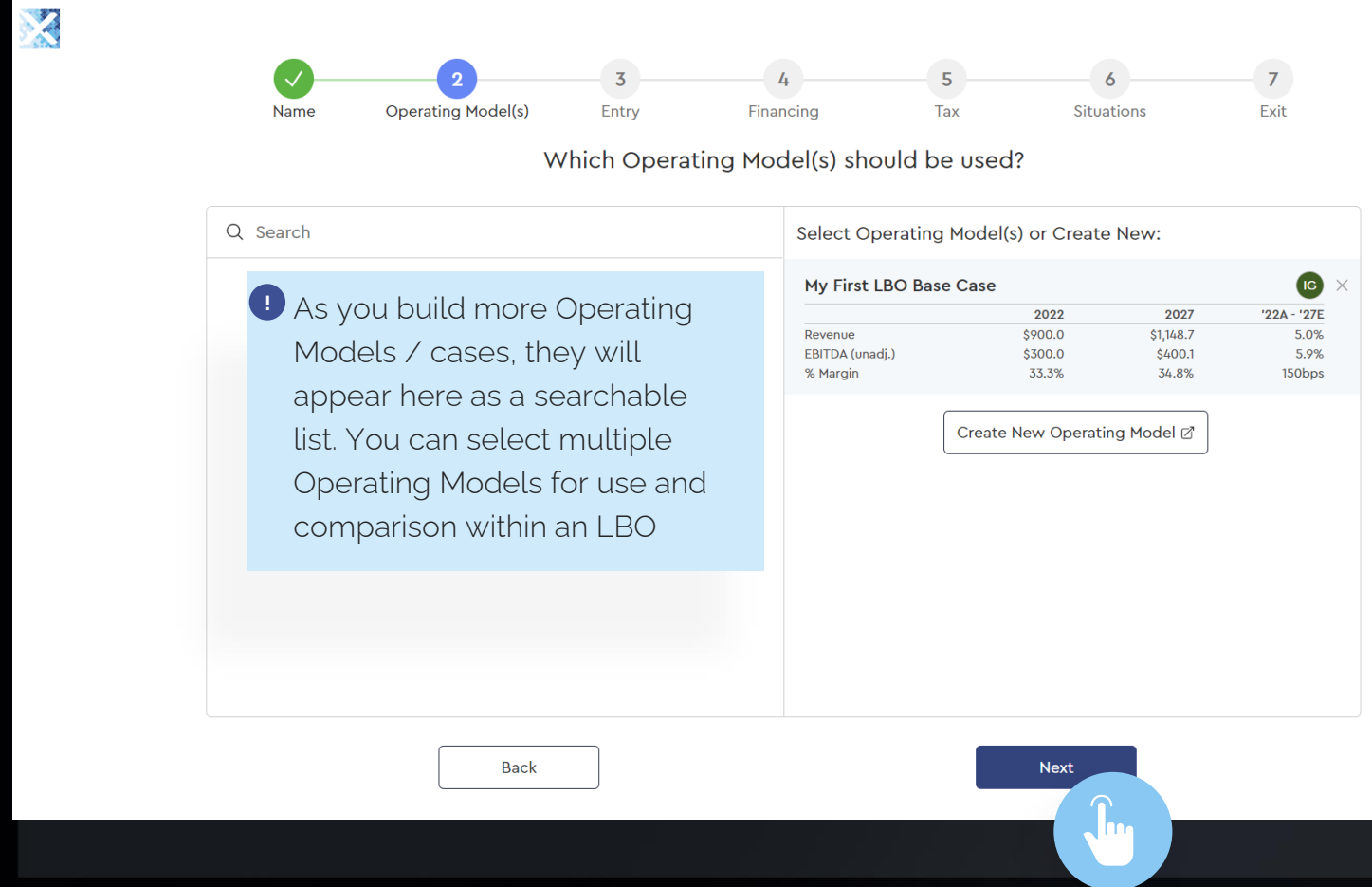
GETTING STARTED

Continuing the LBO

After completing the previous screen, Mosaic will return you to this step with your first Operating Model selected on the right.

Multiple Operating Models can be loaded into a single LBO for case comparison.

Click "Next" to Continue.



The screenshot displays the 'Operating Model(s)' step in a multi-step process. At the top, a progress bar shows seven steps: 1. Name (checked), 2. Operating Model(s) (active), 3. Entry, 4. Financing, 5. Tax, 6. Situations, and 7. Exit. The main heading is 'Which Operating Model(s) should be used?'. Below this, there is a search bar and a list of operating models. A blue callout box contains the text: 'As you build more Operating Models / cases, they will appear here as a searchable list. You can select multiple Operating Models for use and comparison within an LBO'. The list shows one model: 'My First LBO Base Case' with a table of financial metrics for 2022, 2027, and a comparison of '22A - '27E. A 'Create New Operating Model' button is also visible. At the bottom, there are 'Back' and 'Next' buttons, with a hand icon pointing to the 'Next' button.

Which Operating Model(s) should be used?

Q Search

! As you build more Operating Models / cases, they will appear here as a searchable list. You can select multiple Operating Models for use and comparison within an LBO

Select Operating Model(s) or Create New:

My First LBO Base Case IG ×

	2022	2027	'22A - '27E
Revenue	\$900.0	\$1,148.7	5.0%
EBITDA (unadj.)	\$300.0	\$400.1	5.9%
% Margin	33.3%	34.8%	150bps

Create New Operating Model [↗](#)

Back Next



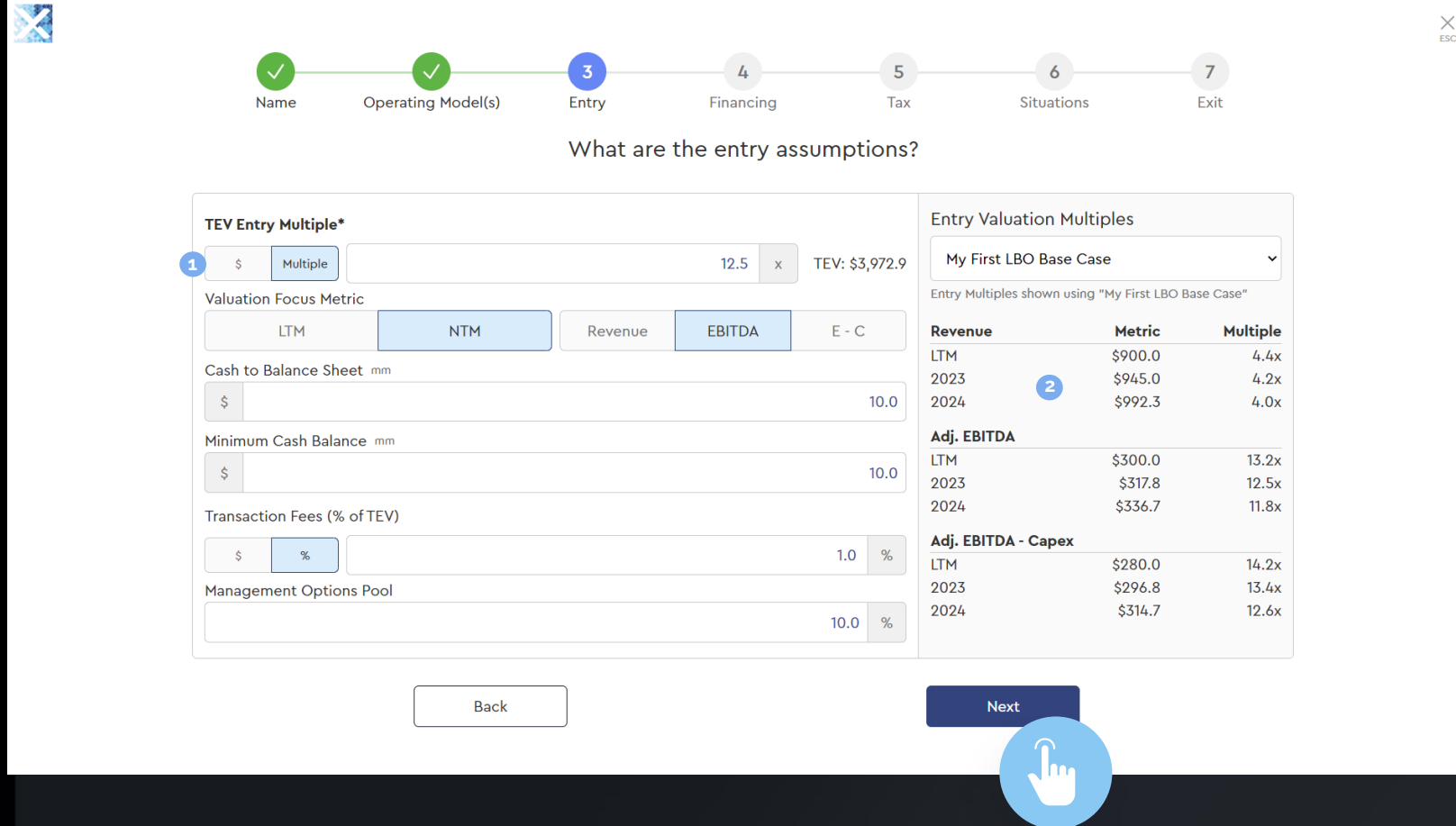
GETTING STARTED

Entry Assumptions

- 1 Configure your entry assumptions by: (i) deciding how you want to input certain assumptions (\$ Purchase Price vs. Entry Multiple); and (ii) entering the relevant assumption
- 2 Mosaic provides a sidebar of implied entry multiples for reference as you select your entry valuation

Don't worry – these can all be adjusted later.

Click "Next" to Continue.



The screenshot shows a software interface for configuring entry assumptions. At the top, a progress bar indicates seven steps: Name, Operating Model(s), Entry (current step), Financing, Tax, Situations, and Exit. The main heading is "What are the entry assumptions?".

The interface is divided into two main sections:

- TEV Entry Multiple*:** This section includes a dropdown menu set to "Multiple" with a value of 12.5, resulting in a TEV of \$3,972.9. Below this are several input fields: "Valuation Focus Metric" (with buttons for LTM, NTM, Revenue, EBITDA, and E-C), "Cash to Balance Sheet mm" (set to 10.0), "Minimum Cash Balance mm" (set to 10.0), "Transaction Fees (% of TEV)" (set to 1.0%), and "Management Options Pool" (set to 10.0%).
- Entry Valuation Multiples:** This section features a dropdown menu for "My First LBO Base Case" and a table showing implied multiples for Revenue, Adj. EBITDA, and Adj. EBITDA - Capex across LTM, 2023, and 2024.

At the bottom of the form are "Back" and "Next" buttons. A blue circular callout with a hand icon points to the "Next" button.

Revenue	Metric	Multiple
LTM	\$900.0	4.4x
2023	\$945.0	4.2x
2024	\$992.3	4.0x

Adj. EBITDA	Metric	Multiple
LTM	\$300.0	13.2x
2023	\$317.8	12.5x
2024	\$336.7	11.8x

Adj. EBITDA - Capex	Metric	Multiple
LTM	\$280.0	14.2x
2023	\$296.8	13.4x
2024	\$314.7	12.6x

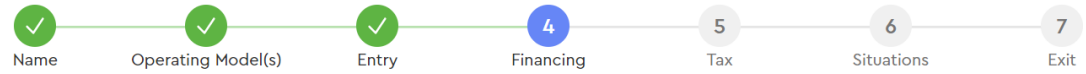


GETTING STARTED

Financing Assumptions

Choose if you want to use debt to fund a portion of the acquisition.

Let's try to add some leverage by clicking the "Levered" tile.



What are the financing assumptions?



Unlevered

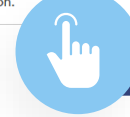
Fully funded by sponsor equity.



Levered

Debt funding at acquisition to reduce sponsor equity contribution.

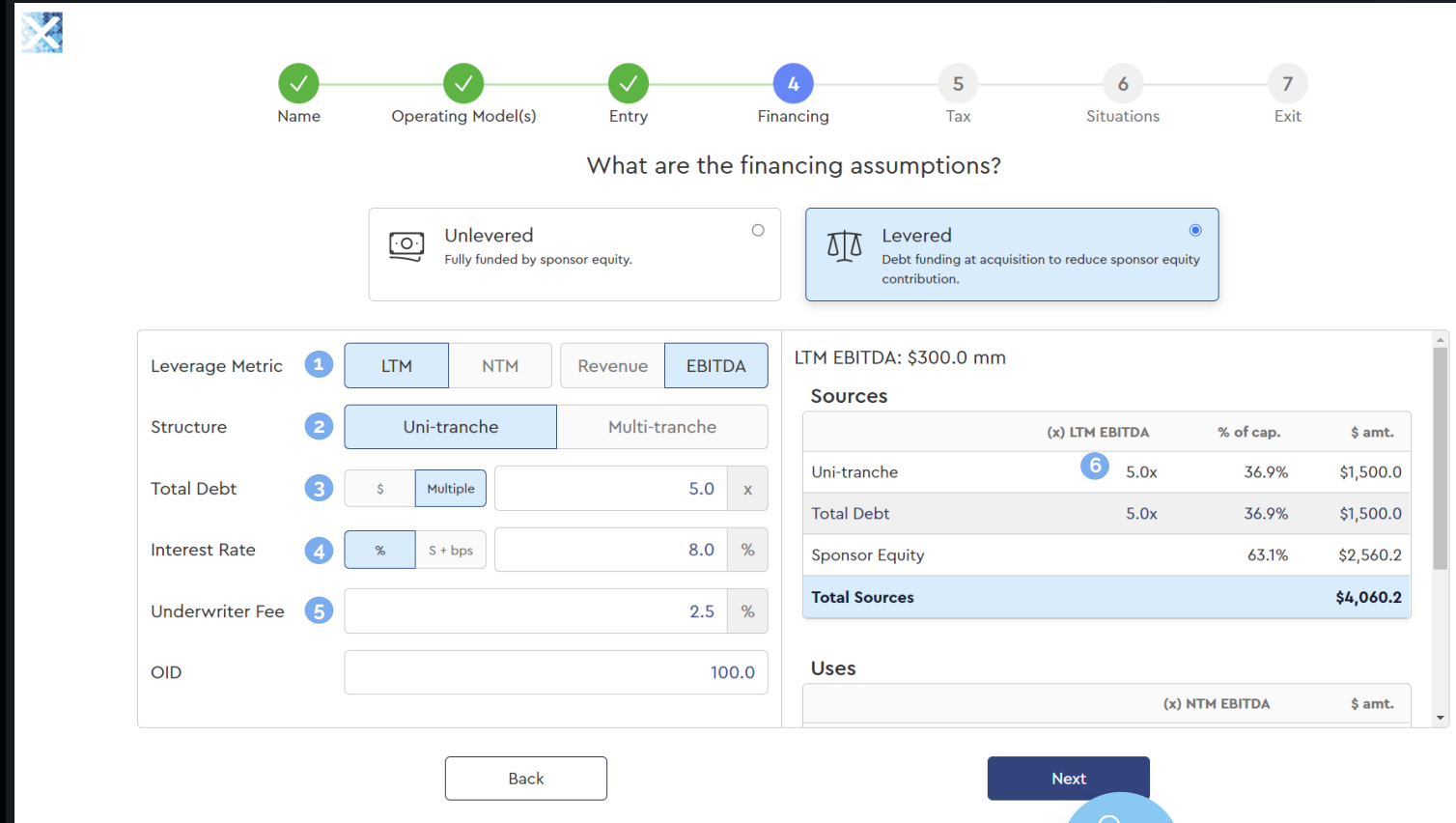
Back



GETTING STARTED

Adding Leverage

- 1 Select the relevant leverage metric for your opportunity
- 2 Quickly screen a deal using a single ("Uni-tranche") debt structure or match a more complex deal by selecting the "Multi-tranche" option
- 3 Enter the drawn debt amount as a dollar or as a multiple of your leverage metric selected above
- 4 Enter the interest rate as a fixed percentage or a floating "spread" to a base rate (e.g., SOFR)
- 5 Enter any fees as required
- 6 Your cap table is built out in real time on the right-hand side for reference



What are the financing assumptions?

Unlevered
Fully funded by sponsor equity.

Levered
Debt funding at acquisition to reduce sponsor equity contribution.

Leverage Metric 1 LTM NTM Revenue EBITDA

Structure 2 Uni-tranche Multi-tranche

Total Debt 3 \$ Multiple 5.0 x

Interest Rate 4 % S + bps 8.0 %

Underwriter Fee 5 2.5 %

OID 100.0

LTM EBITDA: \$300.0 mm

	(x) LTM EBITDA	% of cap.	\$ amt.
Uni-tranche	6 5.0x	36.9%	\$1,500.0
Total Debt	5.0x	36.9%	\$1,500.0
Sponsor Equity		63.1%	\$2,560.2
Total Sources			\$4,060.2

Uses

	(x) NTM EBITDA	\$ amt.
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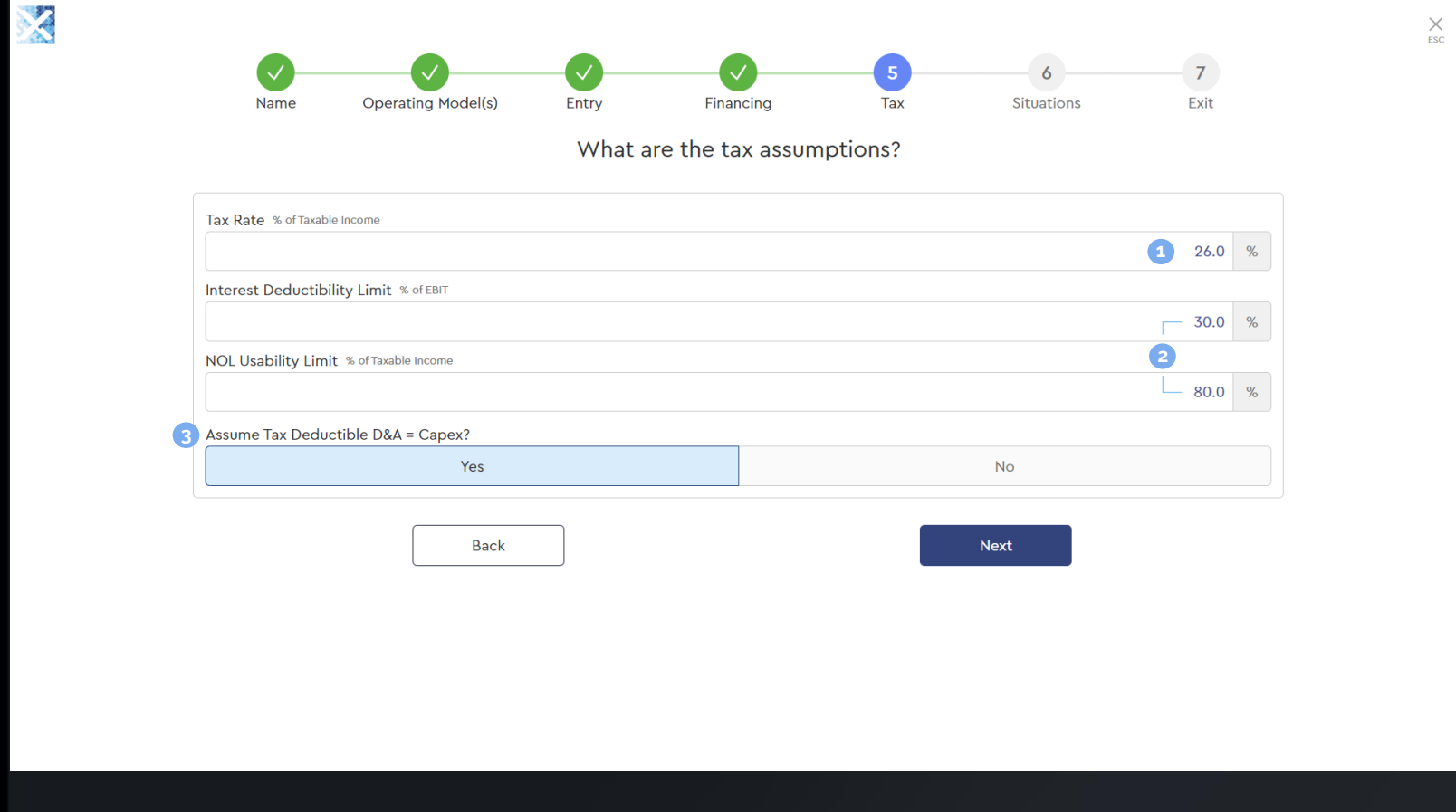
Back Next



GETTING STARTED

Tax Assumptions

- 1 Enter the relevant statutory corporate tax for the business
- 2 Configure tax details depending on jurisdiction (Mosaic is auto populated with standard U.S. values)
- 3 Mosaic assumes capex is equal to tax deductible Depreciation & Amortization by default – however deselecting this allows you to configure a more sophisticated tax calculation appropriate for later-stage deals



Progress: 1 Name, 2 Operating Model(s), 3 Entry, 4 Financing, 5 Tax, 6 Situations, 7 Exit

What are the tax assumptions?

1 Tax Rate % of Taxable Income: 26.0 %

Interest Deductibility Limit % of EBIT: 30.0 %

2 NOL Usability Limit % of Taxable Income: 80.0 %

3 Assume Tax Deductible D&A = Capex? Yes No

Back Next

GETTING STARTED

Special Situations

Mosaic has several optional special situations for users to choose from

- 1 Add any desired situations by selecting them here

You can also incorporate these situations **after calculating and reviewing the base return of the LBO pre- special situations**

The screenshot shows a software interface for selecting special situations. At the top, a progress bar indicates the current step is 6, 'Situations', with previous steps (Name, Operating Model(s), Entry, Financing, Tax) marked as complete and step 7 (Exit) as pending. Below the progress bar, the question 'Which special situations apply?' is displayed. Six selection cards are shown, each with an icon, a title, and a description. The 'Mergers & Acquisitions' card is highlighted in blue. At the bottom of the screen, there are 'Back' and 'Next' buttons.

Progress bar: 1 Name, 2 Operating Model(s), 3 Entry, 4 Financing, 5 Tax, 6 Situations, 7 Exit

Which special situations apply?

- 1 **Dividend Recap**
Raise additional debt during the investment hold period and use the proceeds to pay a sponsor dividend. Used to increase IRR by pulling forward realizations.
- Cost Savings**
Rationalize portions of the current cost structure, which may incur one-time cash costs to achieve. Incremental to organic margin improvement.
- Mergers & Acquisitions**
Acquire and integrate businesses annually ("tuck-ins") or one-time ("transformational") throughout your investment hold period. Benefit from multiple arbitrage and/or synergies with the base business.
- Tax Shield**
Quantify the impact of extraordinary tax assets created by an acquisition (asset step-up) or carried forward from the prior owner (NOLs).
- Sale Leaseback**
Monetize the company's owned real estate post close and incur a corresponding reduction to earnings. Often value accretive due to differences in cost of capital between operating businesses and real estate assets.
- IPO Exit**
Compare standard "Private Exit" scenario to listing on a public exchange and selling down sponsor shares over time. Relevant for very large and/or high-growth businesses.
- Dividend Cash Sweep**
Direct a portion of annual free cash flow to paying a sponsor dividend. Used to increase IRR by pulling forward realizations.

Buttons: Back, Next

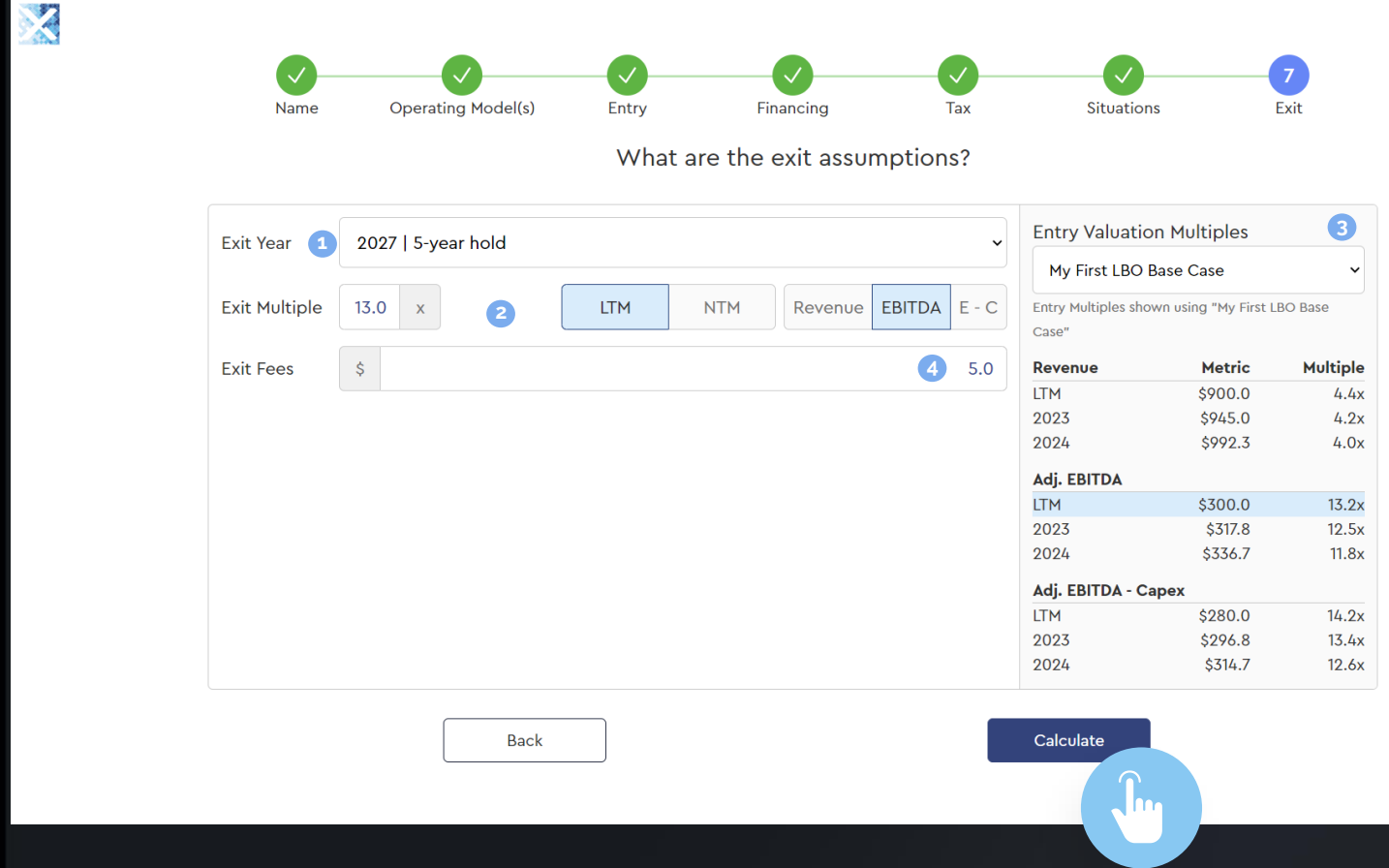
GETTING STARTED

Exit Assumptions

Finally, configure your Exit Assumptions:

- 1 Select your exit year
- 2 Configure your exit multiple type and input your exit multiple
- 3 Note: entry multiples are provided for reference on the right-hand side
- 4 Add exit fees, if any

Click "Calculate" to Finish



What are the exit assumptions?

Exit Year **1** 2027 | 5-year hold

Exit Multiple 13.0 x **2** LTM NTM Revenue EBITDA E - C

Exit Fees \$ **4** 5.0

Entry Valuation Multiples **3**
My First LBO Base Case

Entry Multiples shown using "My First LBO Base Case"

Revenue	Metric	Multiple
LTM	\$900.0	4.4x
2023	\$945.0	4.2x
2024	\$992.3	4.0x
Adj. EBITDA		
LTM	\$300.0	13.2x
2023	\$317.8	12.5x
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2024	\$314.7	12.6x

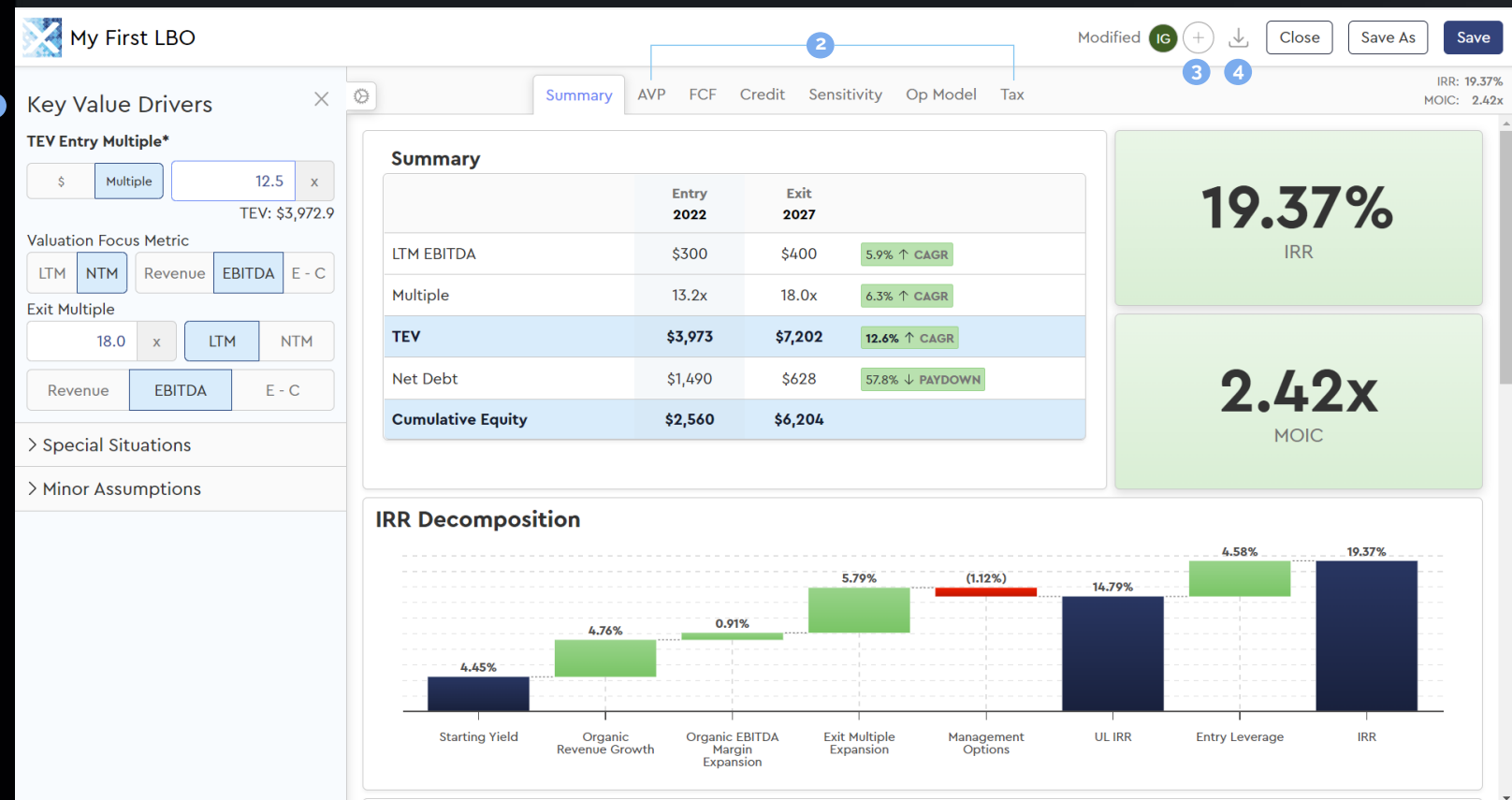
Back Calculate

GETTING STARTED

LBO Dashboard

After calculation, Mosaic will present a summary of modeled returns, and:

- 1 An input panel where you can update assumptions or add special situations and see the live impact to modeled returns
- 2 Several tabs of standard LBO outputs that you can further configure including AVPs, Sensitivity Tables, and more
- 3 Share with colleagues on your team so they can review and sensitize a copy of your model in Mosaic
- 4 Export to Excel (with live formulas) or PDF to send to external parties





Appendix: Quick LBO

QUICK LBO

Screen or Check an LBO in 30 Seconds

- 1 For very high-level math (e.g., after receiving only a Teaser or Banker Pitch with high-level numbers) try Mosaic's Quick LBO
- 2 Enter 14 key assumptions (plus four commonly used optional special situations) and Mosaic will calculate in real time
- 3 Share with colleagues on your deal team; or
- 4 Download to Excel (working formulas) or PDF and share outside of Mosaic

My First Quick LBO

Management Options: 8.0 %

Base Case Assumptions

Bid TEV \$ in Millions: 800.0 mm

Revenue Growth 5 Year CAGR %: 5.0 %

Organic EBITDA Margin Expansion 5 Year bps: 150.0 bps

Exit EBITDA Multiple (LTM): Flat Input 10.0 (x)

Entry Leverage EBITDA Multiple LTM: 5.0 (x)

Special Situations

Include Cost Savings?

Include M&A?

Include Sale-Leaseback?

Include Tax Shield?

IRR Decomposition

Name	Value
Starting Yield	6.70%
(+) Organic Revenue Growth	5.21%
(+) Organic EBITDA Margin Expansion	2.61%
(+) EBITDA Multiple Expansion	-
(-) Management Options	(0.83%)
Unlevered IRR	13.69%
(+) Leverage	4.80%
IRR	18.48%
MOIC	2.34x

Sources & Uses

	(x) LTM	% of cap.	\$ amt.		(x) LTM	\$ amt.
Debt	5.0x	49%	400	Headline TEV	10.0x	800
Equity		51%	418	Transaction Fees		8
				Financing Fees		10
Sources			818	Uses		818

Summary Financials

	LTM	Year 1	Year 2	Year 3	Year 4	Year 5	CAGR
Base							
Revenue	640	672	706	741	778	817	5.0%
Adj. EBITDA	80	86	92	99	107	114	7.4%
% margin	12.5%	12.8%	13.1%	13.4%	13.7%	14.0%	150bps



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PHONE SUPPORT

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