



# Investor in Special Situations in Central and Eastern Europe

September 2017

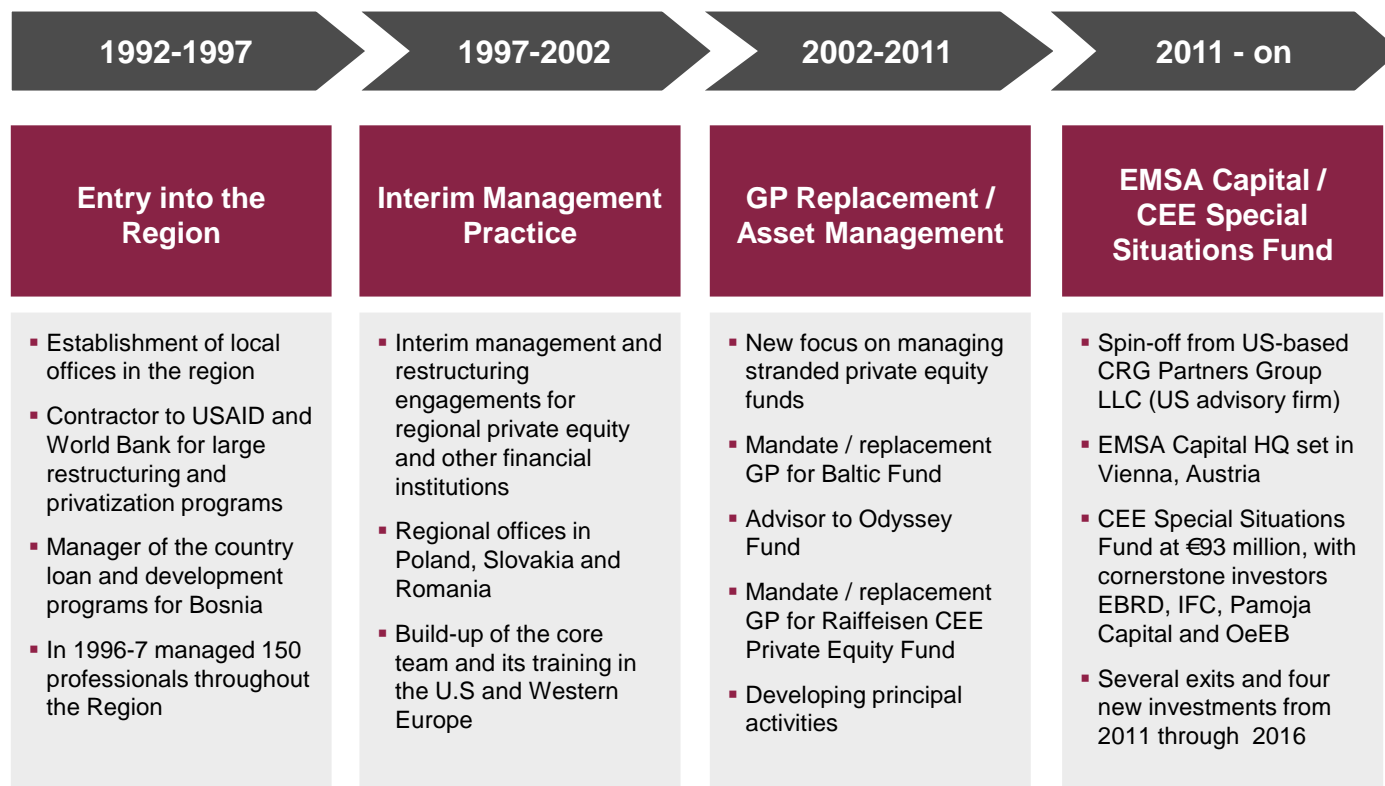
## Who We Are

EMSA Capital is a private equity firm specializing in distressed and underperforming assets in Central and Eastern Europe (CEE) and CIS.

- Twenty-five years of successful presence in the Region
  - Active operating platform dedicated to distressed assets since 1992
  - Successfully managing private equity funds since 2002
- “Hands-on” approach to restructuring and value creation
  - Restructuring, operational improvements, and active asset management represent 60% of the value created in the portfolio companies
  - Assume active management role in most situations
- Experienced regional management team with knowledge of the local market
  - Over 15 years of successfully working together in restructuring, workouts, and asset management in CEE, CIS, US and Western Europe
  - Significant experience in virtually every country of Central and Eastern Europe
- EMSA Capital is currently managing the €93m CEE Special Situations Fund
- Among our main investors in the current Fund are EBRD, IFC, Pamoja Capital, and OeEB
- EMSA is headquartered in Vienna, Austria and the acronym stands for Emerging Markets Special Assets

## EMSA Capital Experience

Platform dedicated to distressed assets in the CEE Region for 25 years



## Investment Philosophy

EMSA Capital's investment philosophy is based on its long term dedication to realizing significant capital appreciation by investing in "special situations". These include turnarounds, financial and operational restructurings, corporate non-core divestitures, NPLs, and other situations arising from the lack of access to capital.

- We understand that the commitment of significant time and resources is required to unlock the value of distressed assets or underperforming businesses
- We have significant experience in structuring transactions that align the interests of various stakeholders in special situations
- Our focus is on improving operations and enhancing the business and financial strategy of our investments, creating value by effectively applying our tested and successful turnaround and performance improvement methods
- We work intensively with management and all other stakeholders to maximize value
- With a timely investment, restructured balance sheet, and a successful operational turnaround, these companies can avoid further decline and result in significant returns

Managed properly, special situations can unlock and create significant value for investors and all other stakeholders.

## Differentiation

EMSA Capital's focus on underperformers and special situations makes both our positioning and investment criteria unique in the Region.

Typical P/E Fund	EMSA Capital
<ul style="list-style-type: none"> <li>▪ Target company should be market leader – #1 or #2 in its industry</li> </ul>	<ul style="list-style-type: none"> <li>▪ Does not need to be market leader, just have a good core business</li> </ul>
<ul style="list-style-type: none"> <li>▪ A strong management team at the target company is a must</li> </ul>	<ul style="list-style-type: none"> <li>▪ We will buy companies with or without management</li> </ul>
<ul style="list-style-type: none"> <li>▪ The Company should have good growth prospects</li> </ul>	<ul style="list-style-type: none"> <li>▪ Organic growth capability is a plus, not a must. Turnaround potential is key</li> </ul>
<ul style="list-style-type: none"> <li>▪ It should produce substantial cash flow to allow for leverage</li> </ul>	<ul style="list-style-type: none"> <li>▪ Most target companies have negative cash flow at the outset or are cash-starved</li> </ul>
<ul style="list-style-type: none"> <li>▪ Invest mostly in equity</li> </ul>	<ul style="list-style-type: none"> <li>▪ Invest anyplace in the Balance Sheet</li> </ul>

## Investment Criteria

### Industry Focus

EMSA invests in all industries except for highly regulated ones

### Investments

We invest in operating businesses, both stand-alone entities and divisions / spin-offs / divestitures. We also acquire non-performing debt instruments, portfolios of stranded or end-of-life PE funds, and invest in other situations arising from the lack of access to capital

### Target Co / Transaction Size

EMSA invests in companies with revenues between €15 million and €100+ million. Our investment size is usually between €5 million and €20 million. Through its partner investor Pamoja Capital and limited partners, EMSA has access to additional capital to fund larger transactions

### Target Co Profitability

EMSA can invest in assets without history of profitability or positive cash flow

### Equity & Debt Capital

EMSA can invest in equity, senior debt, other debt instruments and provide working capital lines of credit in connection with obtaining control

### Target Co Management

EMSA will consider investing in companies which require new management teams. We have been successful in both partnering with the existing management and recruiting new teams for our portfolio companies

### Control

We usually target control positions

### Geography

Our core area is Central and Eastern Europe, but we will also invest in companies that are based in other countries but with significant presence in the region

## Main Investors in CEE Special Situations Fund

### European Bank for Reconstruction and Development (EBRD)

- The EBRD, owned by 61 countries and two intergovernmental institutions, supports the development of market economies and democracies in countries from Central Europe to Central Asia. For more information, visit [www.ebrd.com](http://www.ebrd.com)

### International Finance Corporation (IFC)

- IFC, a member of the World Bank Group, creates opportunity for people to escape poverty and improve their lives. It fosters sustainable economic growth in developing countries by supporting private sector development, mobilizing private capital, and providing advisory and risk mitigation services to businesses and governments. For more information, visit [www.ifc.org](http://www.ifc.org)

### Pamoja Capital

- Pamoja Capital is the investment company that manages the funds of John H. McCall MacBain and those of the McCall MacBain Foundation and currently oversees approx. \$1 billion of Assets under Management
- John H. McCall MacBain and his team have owned, operated and managed businesses across a broad range of industries and geographies. Over the past 20 years, the team has completed over 100 deals in 26 countries

### OeEB (Oesterreichische Entwicklungsbank AG)

- OeEB was founded in March 2008 as the official development bank of the Republic of Austria. It is a wholly-owned subsidiary of Oesterreichische Kontrollbank (OeKB)
- OeEB finances investments of private companies in developing countries and emerging markets

## Key Geographic Focus – CEE

We will also consider situations in other countries with substantial presence in the Region .






EU Members	
Poland	Romania
Czech Republic	Hungary
Slovakia	Slovenia
Latvia	Lithuania
Estonia	Bulgaria
Croatia	

Non-EU	
Ukraine	Serbia
Albania	Bosnia
Montenegro	Macedonia
<i>And potentially in other CIS countries</i>	



## Investment Portfolio

### Current investments

 <p>www.azeriretail.az</p> <p><b>Food Retail</b></p> <p>Acquired in 2011 <b>Azerbaijan</b></p>	 <p>www.famed.com.pl</p> <p><b>Medical Equipment</b></p> <p>Acquired in 2013 <b>Poland</b></p>	 <p>www.bravointernational.eu</p> <p><b>Construction Materials</b></p> <p>Invested in 2013 <b>Romania</b></p>	 <p>www.aplast.ro</p> <p><b>Construction Materials</b></p> <p>Invested in 2014 <b>Romania</b></p>
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### Exited investments (selected)

 <p>www.bonbonetti.hu</p> <p><b>Confectionery</b></p> <p>Exited in 2013 <b>Hungary</b></p>	 <p>www.i.cz</p> <p><b>Information Technology</b></p> <p>Exited in 2012 <b>Czech Republic</b></p>	 <p>www.mdexx.de</p> <p><b>Magnetronic Devices</b></p> <p>Exited in 2010 <b>Germany</b></p>	 <p>www.wosana.pl</p> <p><b>Beverages</b></p> <p>Exited in 2009 <b>Poland</b></p>
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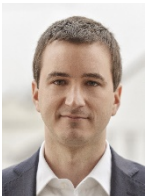
## Team

**Dorian Macovei, CFA***Managing Director*

Dorian Macovei is an investment and turnaround professional with over 15 years of experience in private equity, restructuring, privatization in various countries of Central and Eastern Europe, Italy and Baltic States. Dorian was responsible for six portfolio companies and participated in seven exit negotiations, where he sourced, analyzed and negotiated a number of investment opportunities. Dorian is CFA charterholder and member of the CFA Institute.

**Marko Mitrovic***Director*

Marko Mitrovic has 20 years of experience in special situations private equity, restructuring, and interim and investment management in the US and Central and Eastern Europe (CEE). Marko is one of the founders of EMSA Capital. During his career, Marko also served as interim CEO, Chief Restructuring Officer, and CFO in CEE and the US. Marko has written a book and several articles about restructuring, and is a member of the International Insolvency Institute (III), a leading global institute in this field.

**Tomas Holly***Director and CFO*

Tomas Holly has over 10 years of corporate finance experience in Central Europe. He specializes in turnarounds, mergers and acquisitions, financial modeling, valuations and due diligence. He has worked on projects in a broad range of industries, notably retail, distribution, manufacturing, energy and utilities, iron and steel, transport, construction, printing and packaging and technology. Tomas is a fellow of the Association of Chartered Certified Accountants (FCCA) and a CFA charterholder.

**Anton Forint***Director*

Anton Forint has over 25 years of managerial experience in investment management, restructuring, and interim management in several Central and Eastern European countries. Anton was actively managing and marketing portfolio companies in several private equity funds. He also served as CEO and CRO in number of companies across the region. Prior to joining EMSA Capital in 1995, Anton was CEO of a large Slovak clothing manufacturer.

## Team

**Agata Rieser***IR / Administration Manager*

Agata has more than 12 years of experience in private equity and corporate finance. At EMSA, Agata directs investor relations, oversees environmental and social compliance of the Fund's portfolio companies and also manages the advisory company's administrative operations. Prior to joining EMSA, Agata was with Raiffeisen Private Equity Management. Agata holds an MA degree from the University of Silesia in Poland and speaks fluent Polish, German and English.

**Rafal Rachalewski***Investment Manager*

Rafal has worked in the investment management and consulting industries since 1998. Beginning his career as a member of a US-based multinational company, his focus has been on operations and financial improvements of large and medium size enterprises in Poland. Rafal is an experienced, success-oriented manager and entrepreneur who has acted as manager on over 30 performance improvement projects. In addition, Rafal played an integral role in the launch of two start-ups in which he held a position of CFO.

**Rastislav Brabec***Operating Manager*

Rasto has 20 years of experience in business restructuring, interim and investment management, and financial advisory in CEE and the US. During his career, he has served as investment manager and/or interim CFO in several industries across the region, and advised senior creditors and boards of directors. Rasto's certifications include those by Association of Insolvency and Restructuring Advisors, in both restructuring and valuation.

**Patricia Molnar Nguyenova***Analyst*

Patricia has over three years of experience in real-estate, banking and private-equity. At EMSA, Patricia is responsible for preparation of valuations, investment analyses as well as fund reporting and reporting at portfolio companies. Prior to joining EMSA, Patricia worked for a Luxembourg based real-estate developer in Slovakia focusing on the project finance. While studying at the University of York (UK), Patricia completed M&A and private-equity internships in the CEE region.

## Disclaimer and Contacts

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*All previous experience shown for EMSA Capital includes that of the predecessor firms, TRG, CRP, TRG AM and CRG Capital.*

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