



### Portfolio Company Background (formerly VSL Korea Co.):

Sector	Industry	Business Portfolio
Construction Technology	Concrete structure construction technology specialized in bridge/highway design and engineering	<ul style="list-style-type: none"> <li>- Bridge concrete structure development/design with various construction methods including MSS (Moving Scaffolding System), FCM (Free Cantilever Method), PSM (Precast Segment Method), FSLM (Full Span Launching Method), ILM (Incremental Launching Method), ED (Extra-Dosed Bridge), CSB (Cable Stay Bridge)</li> <li>- Building concrete structures used for big scale residential and commercial buildings that require min number of pillars</li> <li>- Immersed tunnel concrete structures</li> </ul>

### Deal structure:

Deal Size	\$26.8 million
BRV Lotus Fund II Commitment	\$22.1 million
Co-Investors	Strategic family office (LP)
Target Equity Position	19.7%
Investment Form	Common and Preferred Shares
Investment Strategy	Growth Equity
Deal Closing Date	<ul style="list-style-type: none"> <li>- First Tranche: May 2016</li> <li>- Final Tranche: September 2016</li> </ul>
Sourcing Background	The founder/Chairman of the company has only two daughters who have no interest in succession. BRV took the opportunity to create a deal structure by forming a strategic syndicate to acquire the control stake, maximize equity value by leading substantial topline growth initiatives, and IPO; Chairman maintains 8.4% equity post transaction
Deal Team	Kwan Yoon, SJ Lee, and Ryan Lee

### Industry Overview:

Key Players	<ul style="list-style-type: none"> <li>- Daor is the top player in Korea with unparalleled technology IP portfolio in the long span bridge industry with only a few weak competitors.</li> <li>- In the PSC (Pre-Stressed Concrete) market, BNG and Freyssinet Korea are the top competitors.</li> </ul>
Market Size	<ul style="list-style-type: none"> <li>- South Korea public construction market is about USD \$24 billion</li> <li>- With a potential for re-unification of North and South Korea, BRV expects additional growth momentum upon exit in 3-4 years</li> </ul>
Growth Potential	<ul style="list-style-type: none"> <li>- Revenue expansion by rolling out new applications such as LNG tank, Siro, immersed tunnel, pillar-less building construction with its core technology and competitive pricing structure.</li> <li>- The company also identified global expansion opportunities in Middle East, Singapore, and China via collaboration with mega-construction corporations in Korea such as GS E&amp;C, Hyundai Construction, and Samsung C&amp;T, with whom BRV has strong top management relationships.</li> </ul>

### Investment Thesis:

Solid Baseline	<ul style="list-style-type: none"> <li>- Over the last 30 years, the company has been the leader of the Korean long span bridge market (estimated market share: +50%), especially PSC structure using PTS.</li> <li>- It has expanded its product portfolio around "post tensioning" technologies, which help minimize the number of pillars for large infrastructure and building construction projects.</li> </ul>
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	<ul style="list-style-type: none"> <li>- With a global network of over 30 countries in the world through VSL International, one of the world leaders in the field of engineering and construction based on post-tensioning and other state-of-the-art engineering technologies, the company built over 200 bridges and over 30 tank structures in Korea.</li> <li>- Its stable and sticky customer/government relationships in addition to its long and deep track record and IP portfolio provide high entry barrier.</li> </ul>
Growth Initiatives	<ul style="list-style-type: none"> <li>- Already booked significant revenues for the next 3 years - signed backlog USD \$400+ million.</li> <li>- Revenue expansion validated by rolling out new applications such as LNG tank, Siro, immersed tunnel, pillar-less building construction with its core technology and competitive pricing.</li> <li>- Overseas expansion via partnering with BRV's professional network in China, Singapore, Middle East, and Europe. Initial go to market strategy will include deep collaboration with mega-construction corporations in Korea such as GS E&amp;C, Hyundai Construction, and Samsung C&amp;T, with whom BRV has strong top management relationships.</li> </ul>
Management Team	<ul style="list-style-type: none"> <li>- Highly experienced management team: Founder and CEO has over 30 years of solid track record of iconic infrastructure projects in Korea and overseas, and built/sustained other key executives.</li> </ul>
BRV Value-Add	<ul style="list-style-type: none"> <li>- Lead top line growth initiatives: brought in a large scale property development project (\$1.4 billion, 38 floor plus office and hotel twin buildings in the heart of Gangnam, Seoul) and new R&amp;D center development in Seoul (\$4 billion)</li> <li>- Help accelerate sales marketing initiatives: new highway, bridge, and other infrastructure construction projects: <ul style="list-style-type: none"> <li>• Gyeonggi Province and Gyeongsang Province, in which BRV has strong relationships</li> <li>• Two large undersea tunnel development projects (\$110 billion and \$22 billion) between Korea and Japan and between the Korean peninsula and Jeju Island</li> </ul> </li> </ul>
Attractive Valuation	<ul style="list-style-type: none"> <li>- Peers trading at 17.3x trailing EV/EBITDA and 24.3x trailing P/E on average.</li> <li>- The company is on solid growth track with stable cash flow and clean balance sheet.</li> </ul>

#### Company Financials:

(in USD mm)	FY2015	FY2016	FY2017	FY2018
Revenue	141.5	119.8	141.6	165.6
YoY (%)		-14.8%	18.2%	17.0%
EBITDA	(6.9)	5.3	10.2	13.5
EBITDA Margin (%)	-4.9%	4.4%	7.2%	8.1%
Net Profit	(10.4)	2.2	7.2	9.8
NP Margin (%)	-7.4%	1.8%	5.0%	5.9%

#### Exit Profile

Expected Return	2.6 – 5x
Minimum IRR (worst case)	28.6%
Expected Exit Timing	2H2019
Exit Strategy	IPO in Korea