



Project Smooth Engine



STRICTLY PRIVATE AND CONFIDENTIAL INFORMATION

Executive Summary



Opportunity to acquire a stake of up to 100% in a family business with nearly 70 years of experience, specializing in the production of lubricating oils, greases, brake fluids and coolants in Colombia.

Investment Opportunity

- Brand with excellent reputation.
- EBITDA 2019: COP 1,216 million
- Distribution network nationwide
- Sustained growth of sales and margins.
- The company has no financial debt.

Contact Information

All communications regarding your potential interest in this opportunity must be directed to one of HERITAGE's representatives listed below. Under no circumstances should you contact directly or indirectly any employee, executive or affiliate from the Company or its shareholders

Juan Ricardo Buenaventura
Partner
jrbuenaventura@heritage.com.co
+57(304)3272027





Investment Highlights

Diversified client base

Sales

- Distributors (19): 30% of sales
- Own (11): 70% of sales

Distribution centers

- Barranquilla
- Cali
- Bucaramanga

Healthy financials

- No financial debt
- Sustained growth
- Healthy margins and business cycle

Industry

The consumer's decision is influenced by:

- Product availability
- Positioning of the brand
- Price.

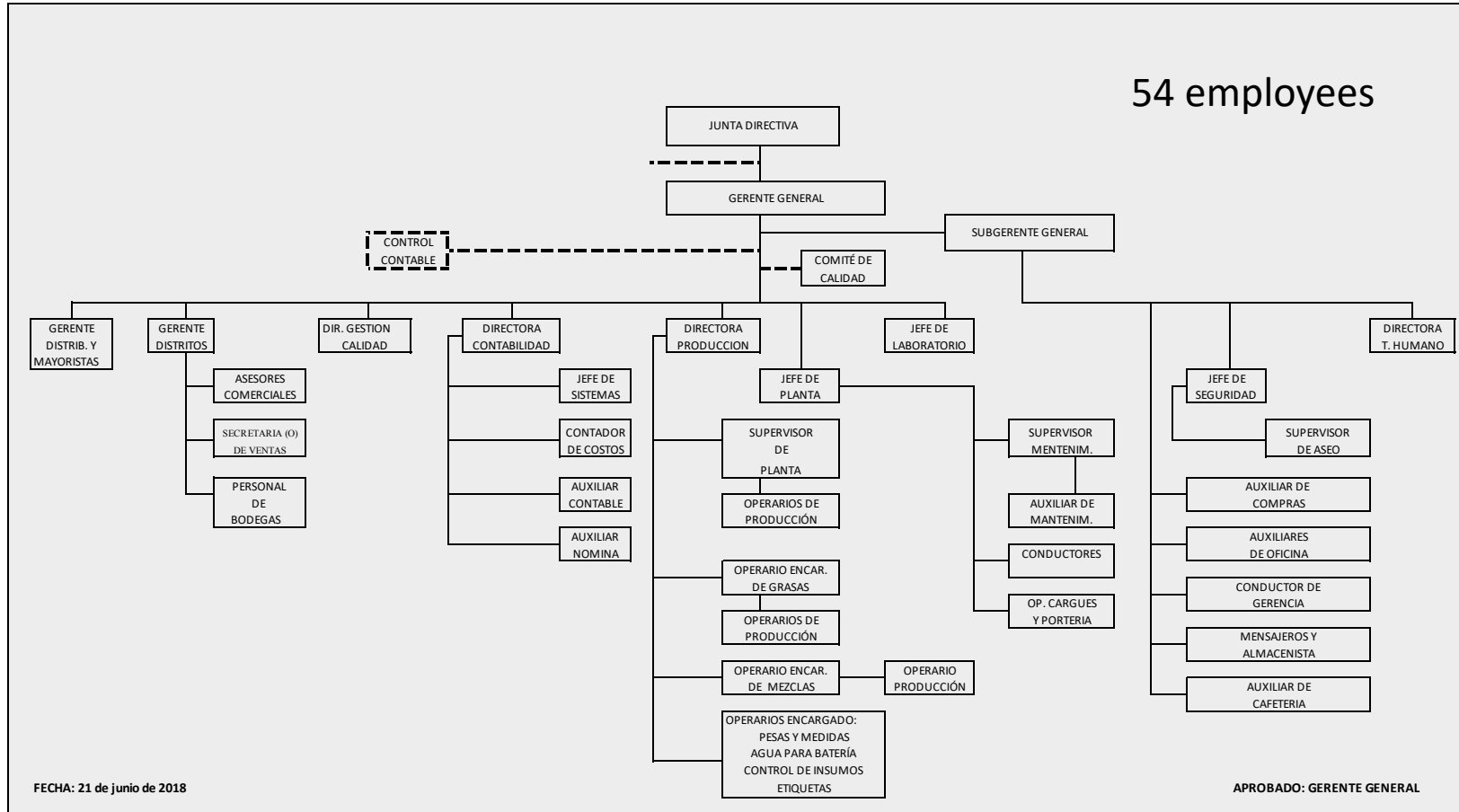
Growth opportunities

- Installed capacity ready to grow by including focused sales force in the agricultural and industrial sectors, as well as in the international market.
- The company has the ideal infrastructure and channels to expand its product portfolio for the automotive sector.





Brief history



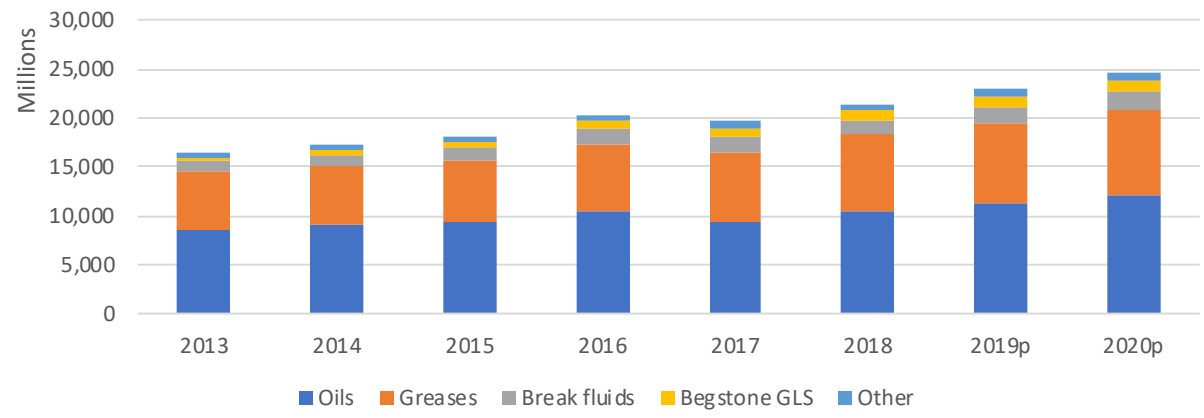
Products

- Engine oil
 - Gas
 - Diesel
 - 4T y 2T
 - Transmission
- Industrial oil
 - Hydraulics
 - Gear boxes
 - Termoil
 - Oil for metal machining
 - Dielectric
- Greases
 - Lithium
 - Calcium
 - Sodium
- Brake fluid
- Additives
 - Diesel
 - Engine oil
 - Transmission



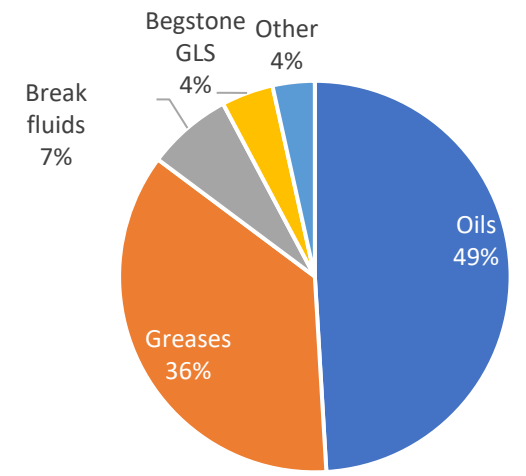
Sales

Sales by product line

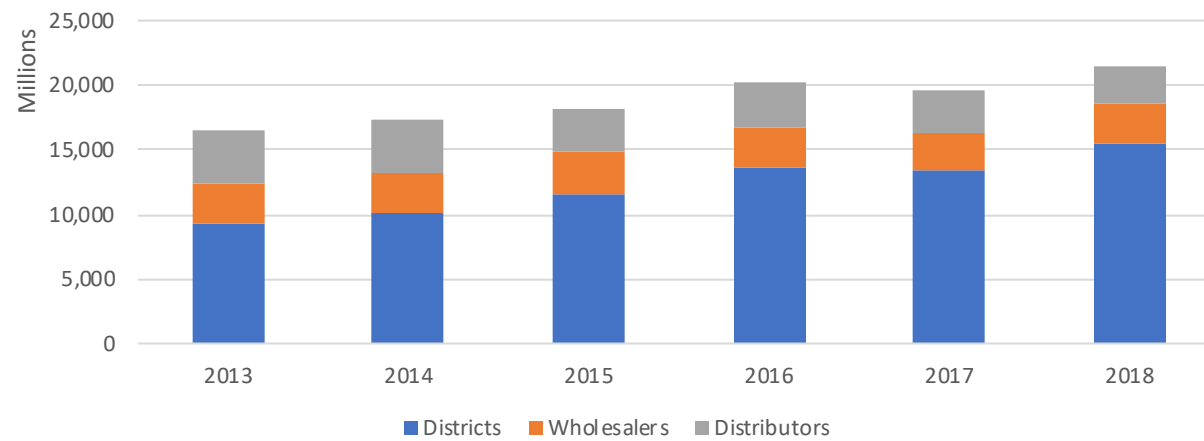


Line	2013 - 2018 CAGR
Oils	4,0%
Greases	6,0%
Break Fluid	5,1%
Begtone GLS	6,8%
Other products	23,7%
Total	5,4%

2018 Sales composition



Sales by channel



Channel	2013 - 2018 CAGR
Districts	10,6%
Wholesalers	0,7%
Distributors	-7,3%
Total	5,4%

The Company has sustained continuous growth since 2013 after pursuing a successful direct sales approach

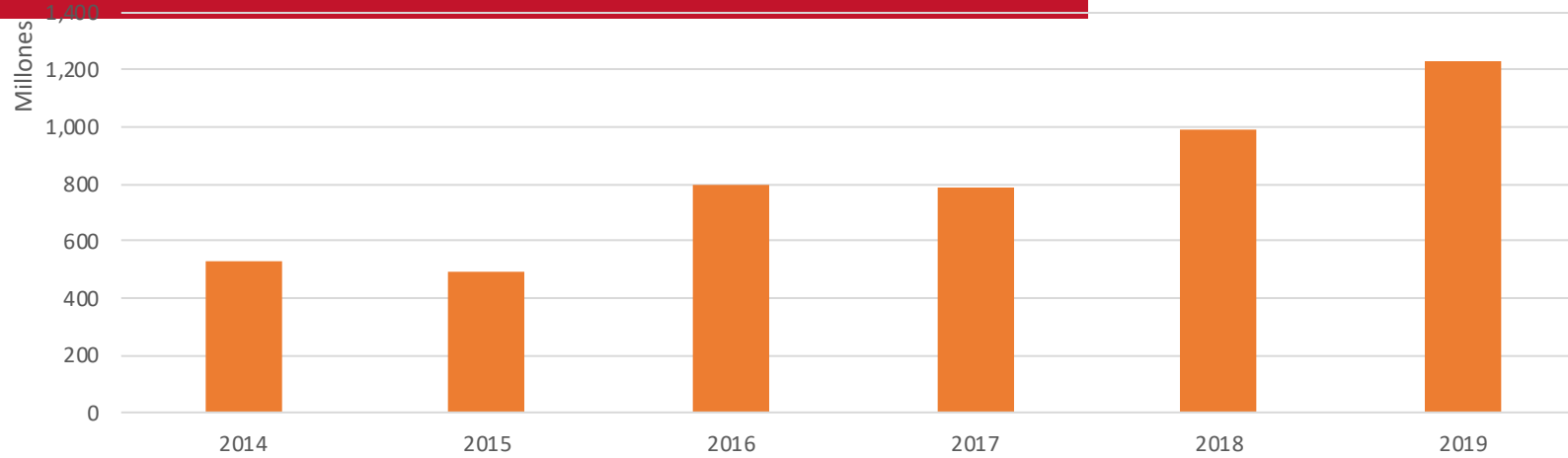


STRICTLY PRIVATE AND CONFIDENTIAL



Results

EBITDA



- EBITDA double digit growth in the last 5 years: CAGR: 13.6%

Business Cycle



- Substantial improvement in the operational cycle, going from 69 to 40 days in the last 5 years.





Company Description

Location

- Except coolants, about 80% of the cost is in USD for oils and 60% for greases.
- Suppliers
 - Bases are paid 5 days after they arrived
 - Additives are paid 45 days after consumed
 - Packaging is paid after 30 days
- Average 1 month inventory
- Distributors have 60 days to pay with 24% average discount
- Districts 45 days with 5-10% discount
- Average discount is 19%
- Prices are monitored monthly and adjusted when possible to maintain a margin

Certifications

- ISO 9001-2015



Main competitors

Company	Revenues 2017	y/y Growth	EBIT	EBITDA
Prolub (Gulf)	43.555	-32,48%	-3.415	-2.418
Lubrigras	15.570	6,29%	2.821	3.881
Proquimsa	25.839	-0,89%	3.323	3.805
Coexito	467.667	2,9%	30.824	32.880



Terrain where the Company operates

*Optionally included in transaction

- The company operates in 11 lots totalling 5,850 m2 in the Santa Ana Sur neighbourhood, traditionally known as a middle income residential neighbourhood.
- Uses: Housing and commercial.
- In the same block there are 4 properties that are not part of the company
- Optionally, the land can be developed commercially and the operation of the company moved to a new space.





**Boutique Investment
Banking firm**

Fast results

**Solid Academic
Background**

**We crunch the
numbers**

Deep Experience

**Simple Solutions to
Complex Situations**

Heritage Financial Advisors SAS

Calle 120A No 7 - 62 of. 402

Tel: +57 1 2154614

Bogotá

Colombia

www.heritage.com.co

