I.IX

THE MATH

Anatomy of a deal that goes wrong.

The same leverage that makes fortunes unmakes them.

DAY ONE, ON PAPER

The deal looked fine.

Purchase price $2.2M

4.4x on $500K of EBITDA, a fair ask

Borrowed $2.0M

payments about $320K a year

Coverage 1.6x

earnings comfortably above the loan payment

YEAR ONE

Revenue slips 15 percent.

Two big accounts followed the old owner out the door. Nothing dramatic, no scandal, just relationships the buyer never owned. EBITDA falls from $500K to $350K. Coverage is now 1.1x.

One truck breakdown from a missed payment.

THE SPIRAL

Debt does not shrink with revenue.

1. Cash gets tight, so marketing gets cut.
2. Fewer jobs come in, so cash gets tighter.
3. The loan payment stays exactly the same.

YEAR TWO

The cushion is gone.

> $350K of earnings against $320K of payments.
>
> Equipment is aging and there is nothing left for it.
>
> The personal guarantee now includes the house.

Nothing about this deal was bad luck. All of it was visible on day one.

THE AUTOPSY

What was priced in from the start.

- A full price paid for revenue with no contracts
- Customer relationships that lived with the seller
- A cushion too thin to absorb one bad season
- No stress test before signing

THE FIX

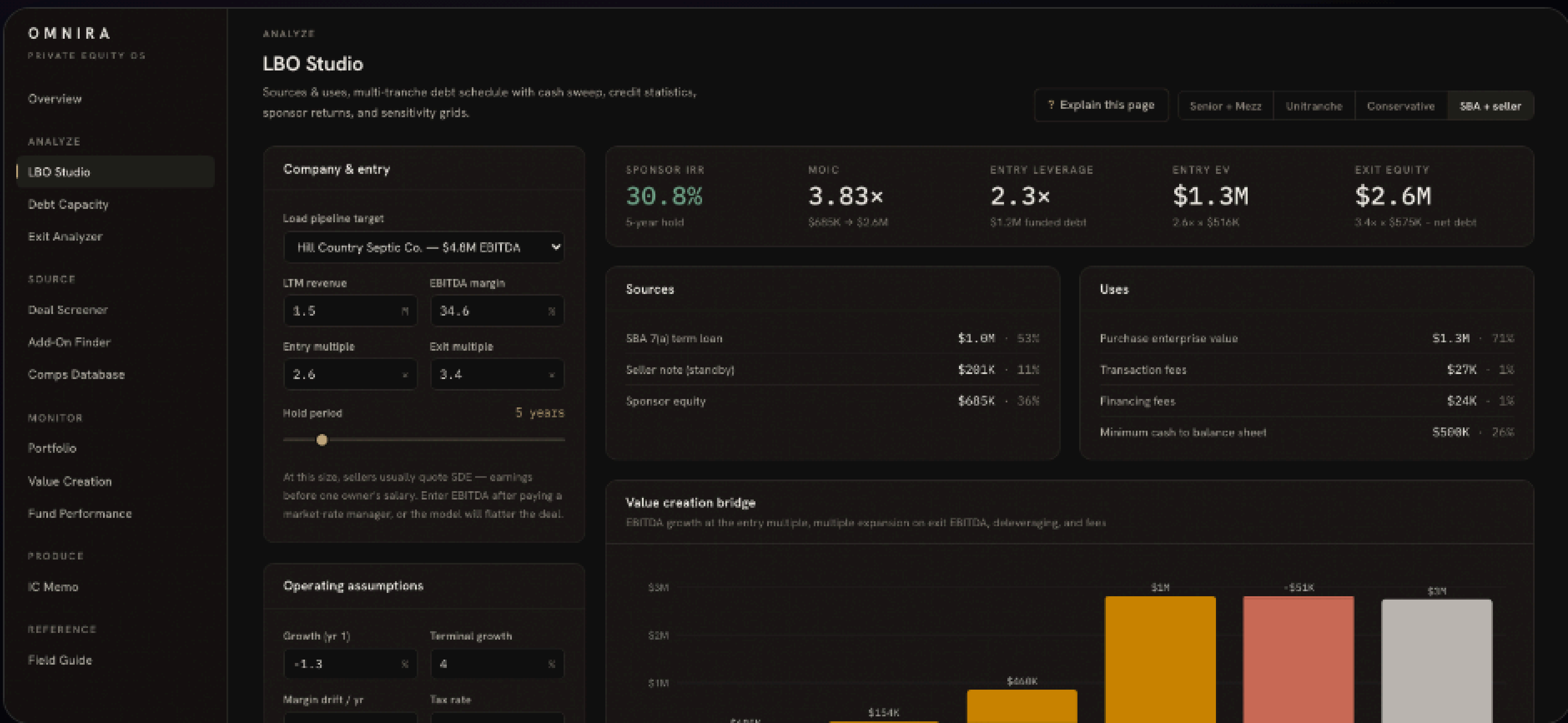
Break the deal before it breaks you.

Model revenue down 20 percent before you sign. If coverage stays above 1.25x and six months of payments sit in reserve, you can survive the year one surprise. If the model dies, the deal dies with it.

Costs nothing. Saves everything.

TRY IT

Stress test any deal in the terminal.



Drop the growth slider negative and watch coverage, sweep, and equity respond.

DM the word TERMINAL for access