

McGill St LAURENT: Portfolio Management

Build Feed and Power the Planet

TEAM NMIMS

Problem Statement

Where to Next?

- Benefits as the Disruptors and become Market Leaders
- Efficiently Deploying Human, Technological, and Financial Capital to help achieve your 50 mn target

Key Issues

- Managing Disruption
- Solidifying Leadership in the industry
- Talent Management
- Resource Allocation

Agenda

1. Analysis of Opportunity
2. Alternatives
3. The Recommendation
4. Financial Analysis
5. Implementation
6. Conclusion

Analysis

Alternatives

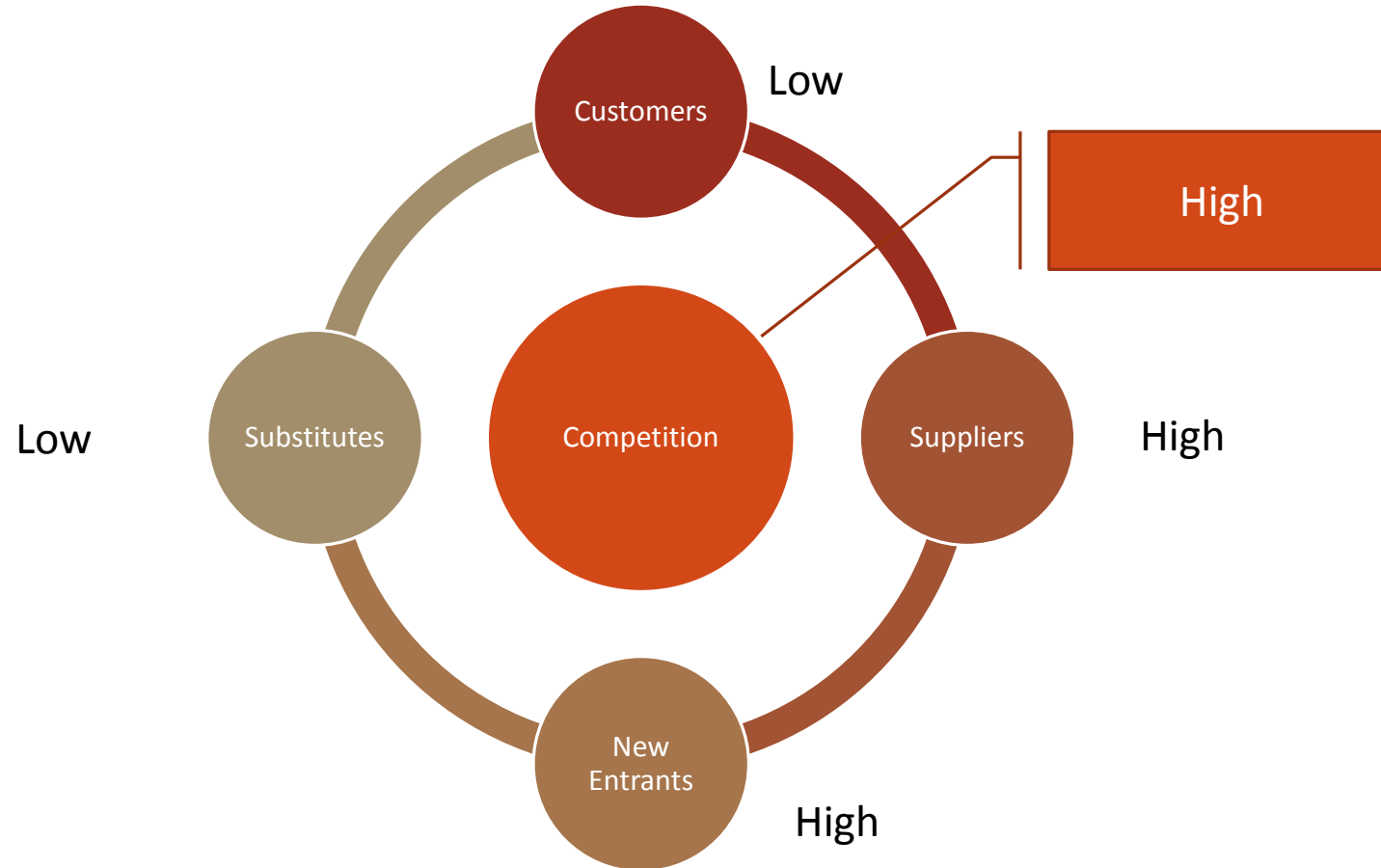
Recommendation

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5 Forces Analysis: Wood



Analysis

Alternatives

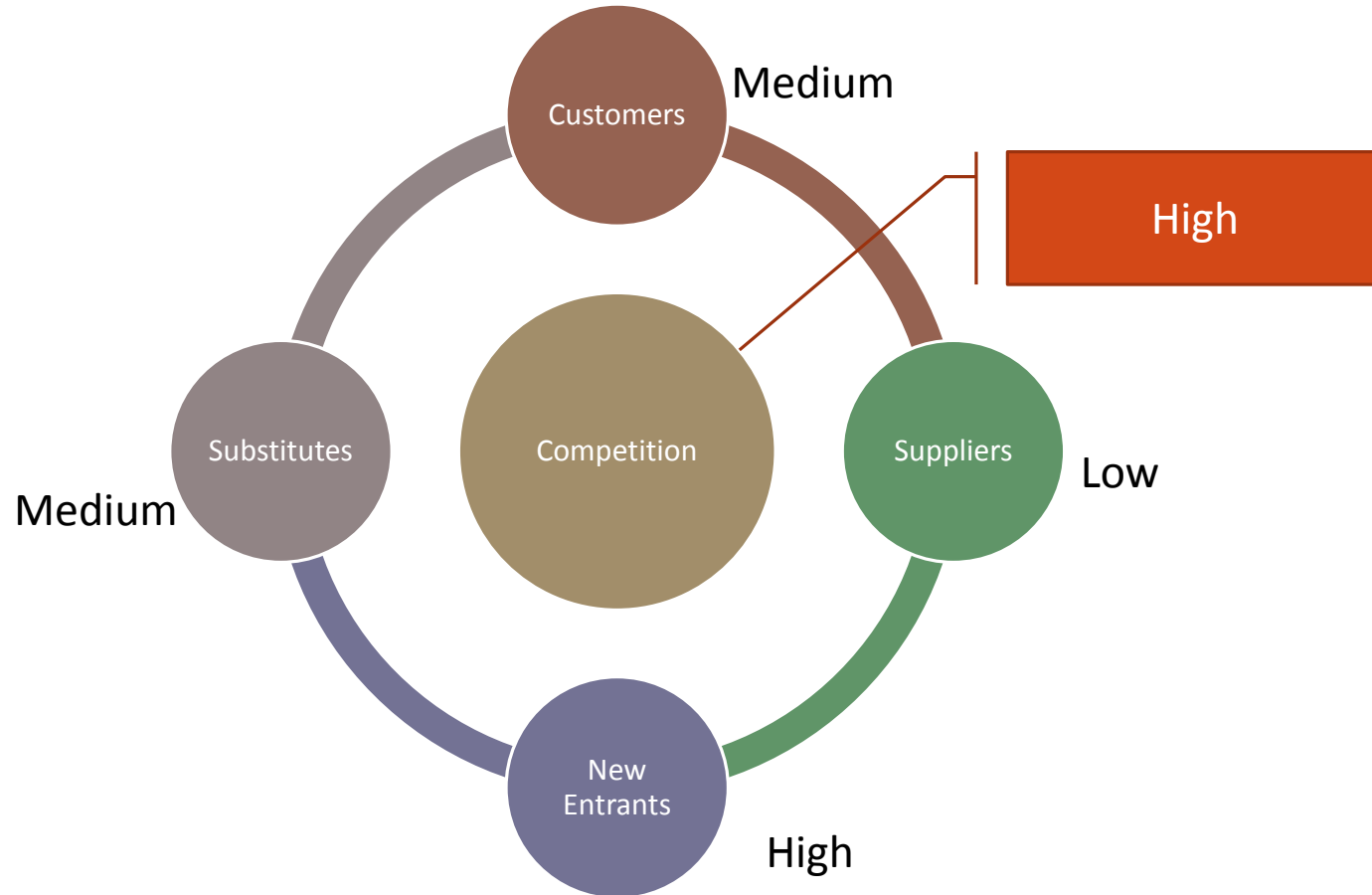
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5 Forces Analysis: Grains



Analysis

Alternatives

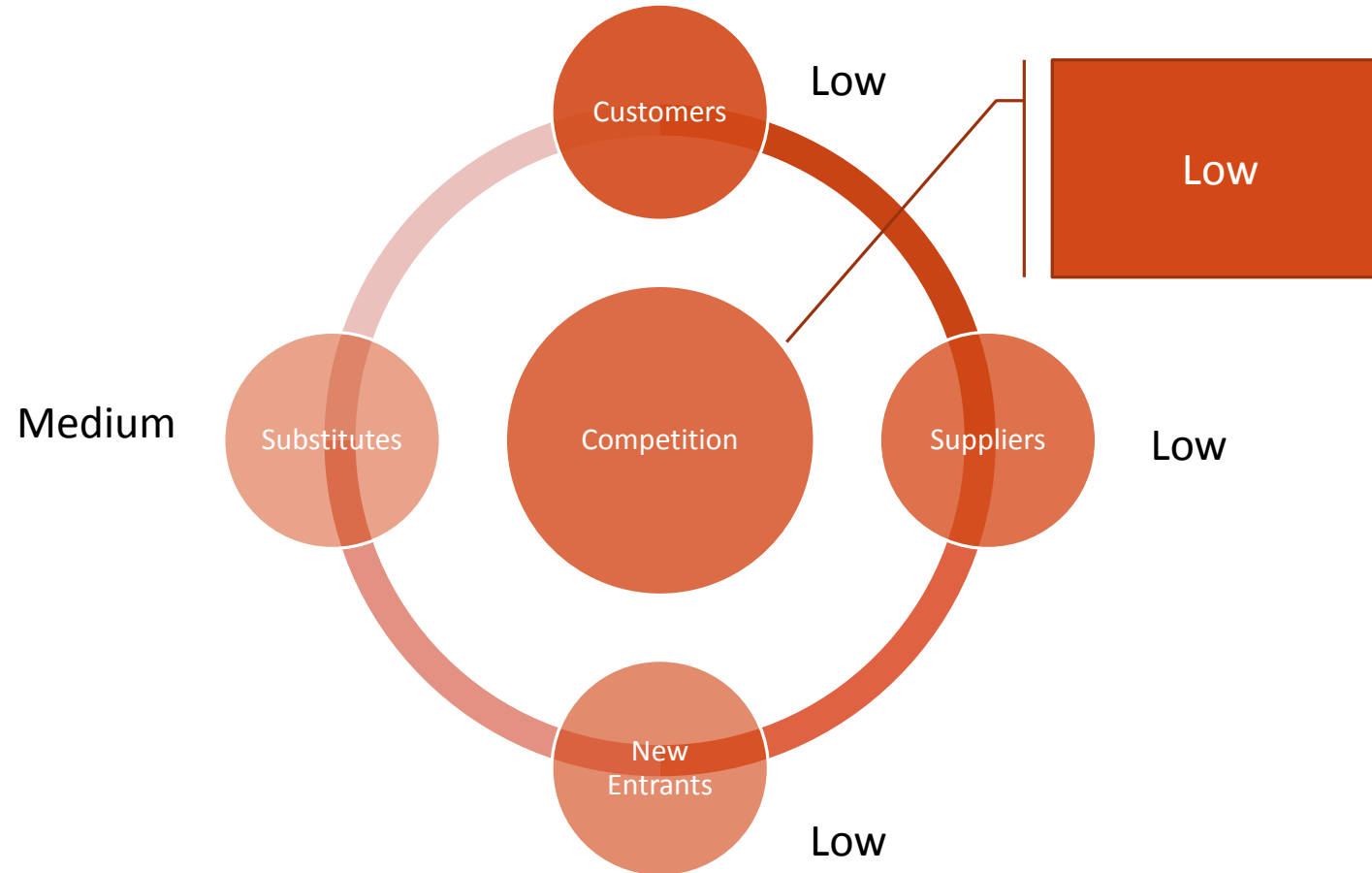
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5 Forces Analysis: Energy



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Alternatives for Energy

Expansion of
Renewables

Leveraging AI/ML

Strengthening
position in Non
Renewables

Diluting shares to
go Public

Private Placement
to institutional
investors in
renewable space

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Criteria Matrix

Factors	Weights	Expansion of Renewables		Leveraging AI/ML		Strengthening position in Non Renewables		Diluting shares to go Public		Private Placement to institutional investors in renewable space	
		Raw Score	Wtd Score	Raw Score	Wtd Score	Raw Score	Wtd Score	Raw Score	Wtd Score	Raw Score	Wtd Score
Cost	3	2	6	2	6	1	3	3	9	2	6
Futureproofing	5	3	15	3	15	2	10	2	10	1	5
Profitability	5	3	15	3	15	3	15	2	10	2	10
Synergy	4	3	12	3	12	3	12	1	4	2	8
Total		48		48		40		33		29	

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Our Recommendations:

Grain Business:
-Scaling Up
Risk Free Business
High and Steady Demand

Wood Business:
-Diversification to manage risk
-Encroaching into architectural territory
because of higher margins (25-30%)

Promote trading in LNG
-Most Commercially viable non
renewable energy which can bridge
demand supply gap

Analysis

Alternatives

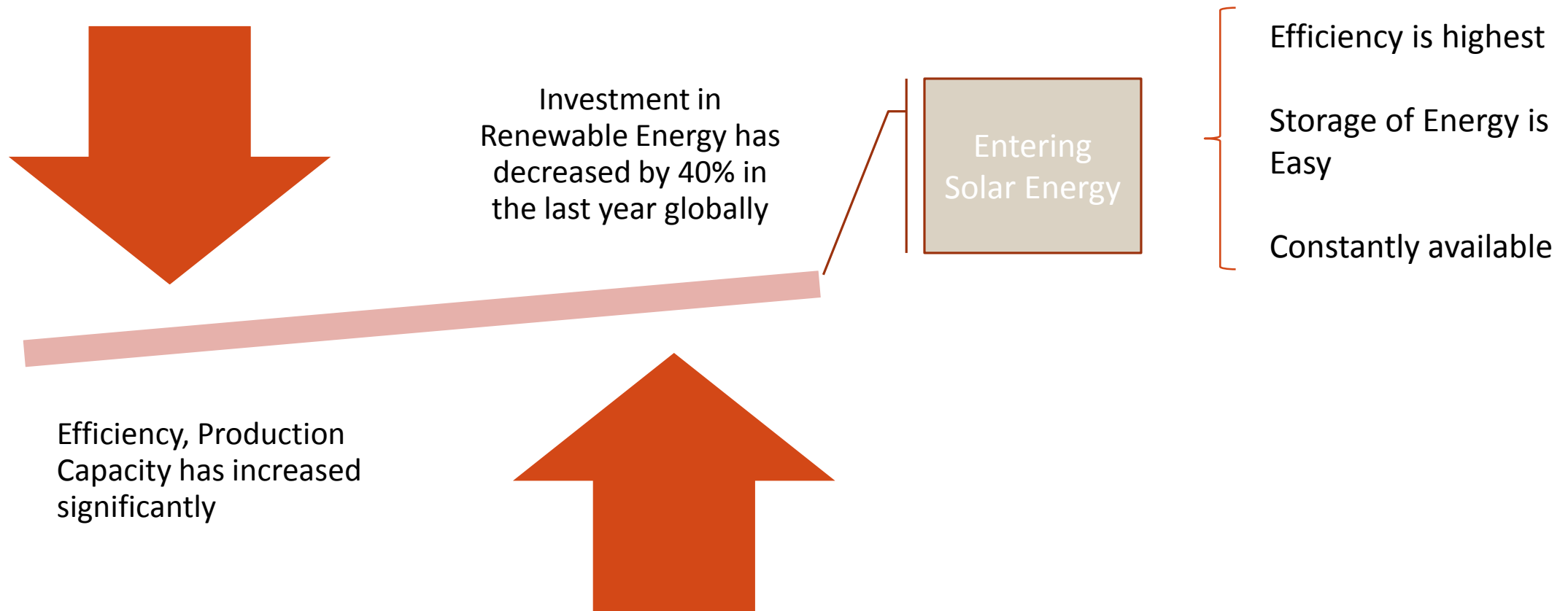
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Our Recommendation: Moving into Renewables



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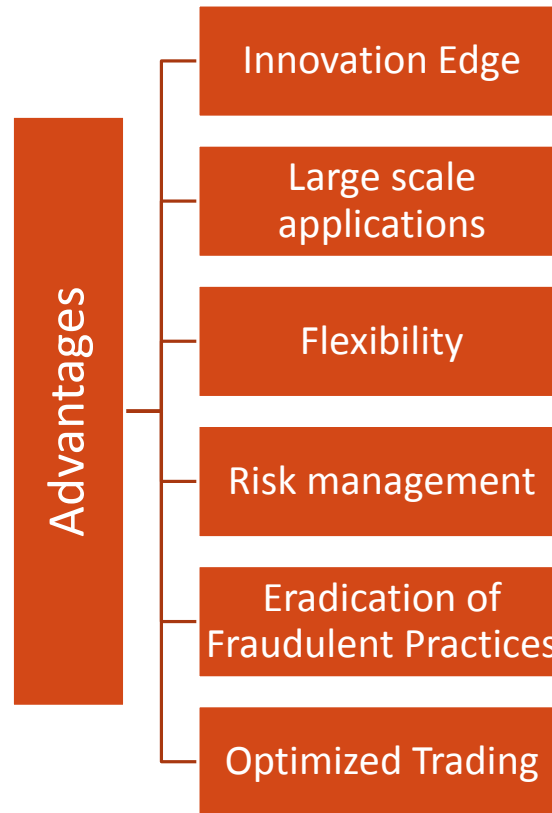
Our Recommendation: Workforce Management

- Reduction in traders and brokers due to high packages and salaries, especially commissions
- Lack of trust



Deploy large number of lead managers and lead generating avenues to improve relationships, awareness and brand value amongst customers

Our Recommendation: AI Acquire



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FINANCIAL ANALYSIS: KEY ASSUMPTIONS

- COGS to increase at 10% YoY
- Division wise increase in Gross Profit to meet the target of achieving the 50 Million USD mark:

YoY Figures	2018	2019	2020
CWP Energy	10%	15%	15%
Grain Business	2X	2X	2.5X
Wood Products	40%	50%	40%

- Corporate Tax Rate of 35% for calculation of Net Operating Profit Less Adjusted Taxes (NOPLAT)
- Depreciation on Fixed Assets at 10%
- Amortization rate of 20%; Payments made in a phased wise manner

Analysis

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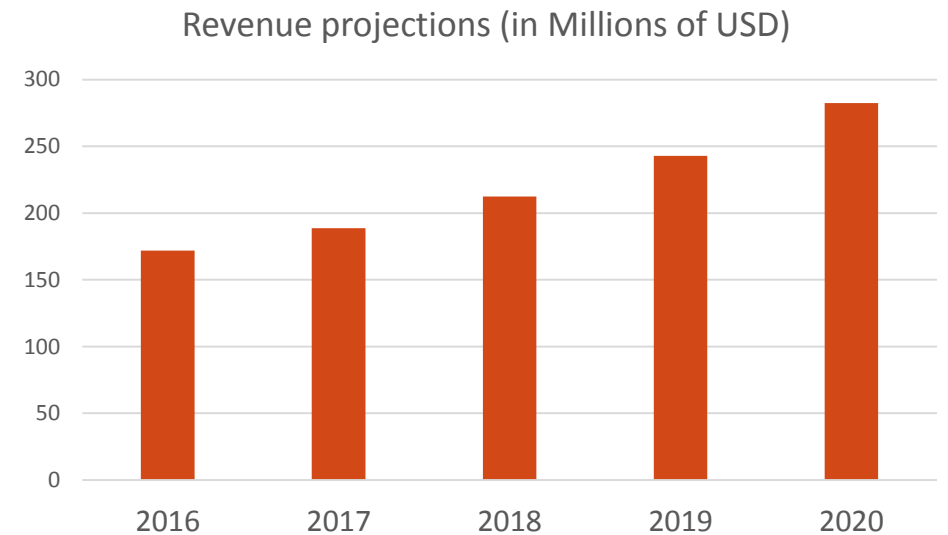
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FINANCIAL ANALYSIS

Figures in Millions of USD

Income Statement	2016	2017	2018	2019	2020
Revenue	172	188.7	212.325	242.759	282.5118
COGS (Increase at 10% YoY)	155.8	174.7	192.126	211.339	232.4725
%Sales					
Gross Profit					
CWP Energy	6.06	3.64	4.004	4.6046	5.29529
%increase			10%	15%	15%
Grain	1.3	1.13	2.26	4.52	11.3
%increase		2X	2X	2.5X	
Wood Products	8.84	9.29	13.935	22.296	33.444
%increase			40%	50%	40%
TOTAL Gross Profit	16.2	14.06	20.199	31.4206	50.03929
%Sales	9%	7%	10%	13%	18%



Analysis

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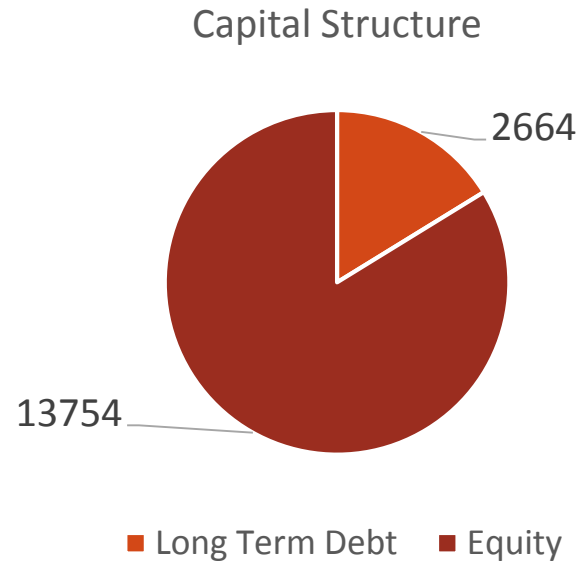
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CAPITAL STRUCTURE AND CRITICAL RATIOS

Ratio	
Debt/Equity	19%
Current Assets	38351
Fixed Assets	4526
Current Liabilities	7986
Working Capital	30365
Working Capital Ratio	4.8
Proprietary Ratio	32%
Consolidated Gross Profit Ratio	7.5%



	CWP	Grain	Energy
Gross Profit	6%-8%	3%-5%	Extremely Volatile

Analysis

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CASH FLOW ANALYSIS

Analysis

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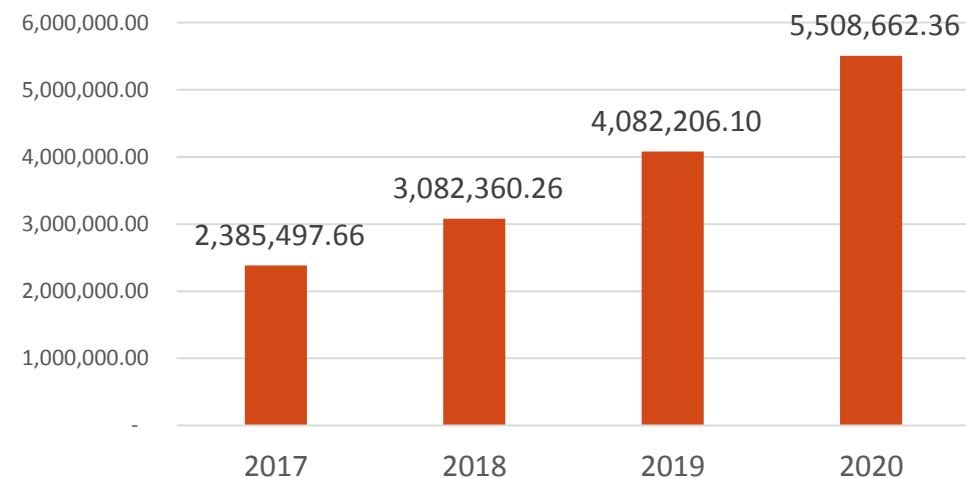
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EBITDA	2017	2018	2019	2020
CWP Energy	1960000	2156000	2371600	2608760
%increase		10%	15%	15%
(-)Amortization	532.8	1598.4	1532.8	1332.8
EBIT	1959467.2	2154401.6	2370067.2	2607427.2
NOPLAT	1273653.68	1400361.04	1540543.68	1694827.68
Grain	-22500	-11250	10000	15000
%increase				
(-)Amortization	532.8	1598.4	1532.8	1332.8
EBIT	-23032.8	-12848.4	8467.2	13667.2
NOPLAT	-14971.32	-8351.46	5503.68	8883.68
Wood Products	1735000	2602500	3903750	5855625
%increase		50%	60%	50%
Depreciation (Straightlined from 2017-18); Grow later with 20%	905.2	362.1	434.52	521.424
%Fixed Assets	10%	10%	20%	20%
(-)Ammortization	532.8	1598.4	1532.8	1332.8
20% Paid Off YoY of the Long Term Debt	20%	20%	20%	20%
Fresh Loan Taken which is Double than current LT Debt		5328		
EBIT	1733562	2600539.5	3901782.68	5853770.776
NOPLAT	1126815.3	1690350.675	2536158.742	3804951.004
SUMMATION OF AVAILABLE PROJECTED CASH FLOWS	2,385,497.66	3,082,360.26	4,082,206.10	5,508,662.36

SUMMATION OF PROJECTED AVAILABLE CASH FLOWS



Analysis

Alternatives

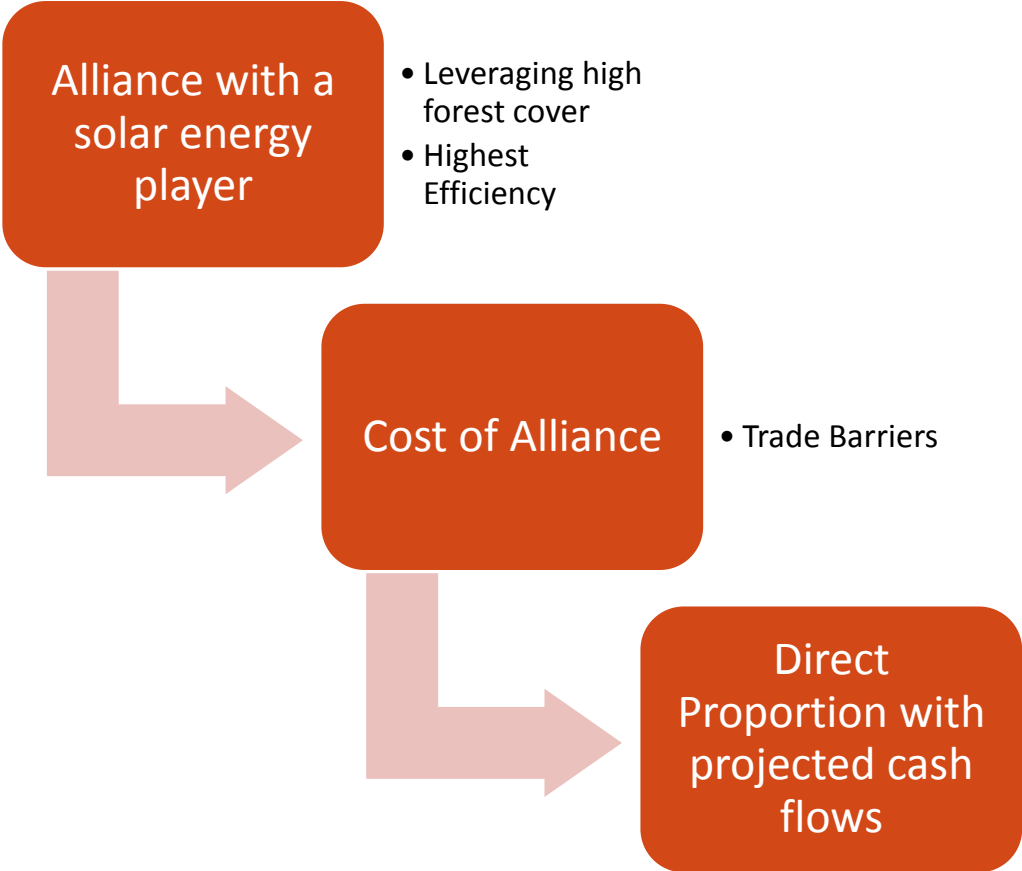
Recommendation

Financials

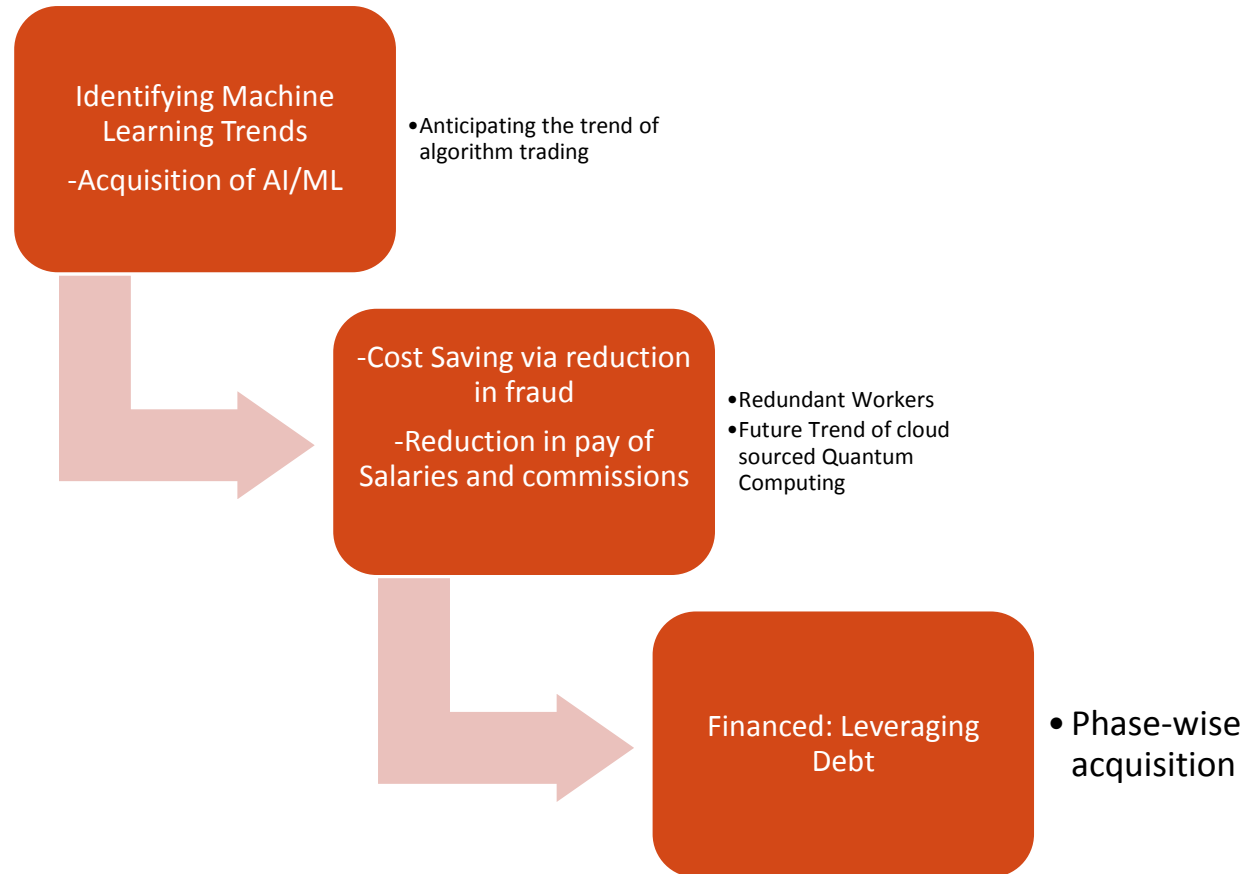
Implementation

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Implementation: Moving into Renewables



Implementation: Workforce Management



Analysis

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Grain Business

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Alternatives

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Implementation

- Ease of scalability (to almost double) using existing channels
- Piggybacking on Back-to-Back model (Lean Inventory)
- Synchronous to Wood Industry and Focus being taken away from the same
- Workforce is also similarly skilled in wood and grain sector which further facilitate scaling-up

Wood Business

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Implementation

-Diversification to manage risk by entering into

-Encroaching into architectural territory because of higher margins (25-30%)

-Lead Generation

-B2B Representatives

Risk Mitigation

Analysis

Alternatives

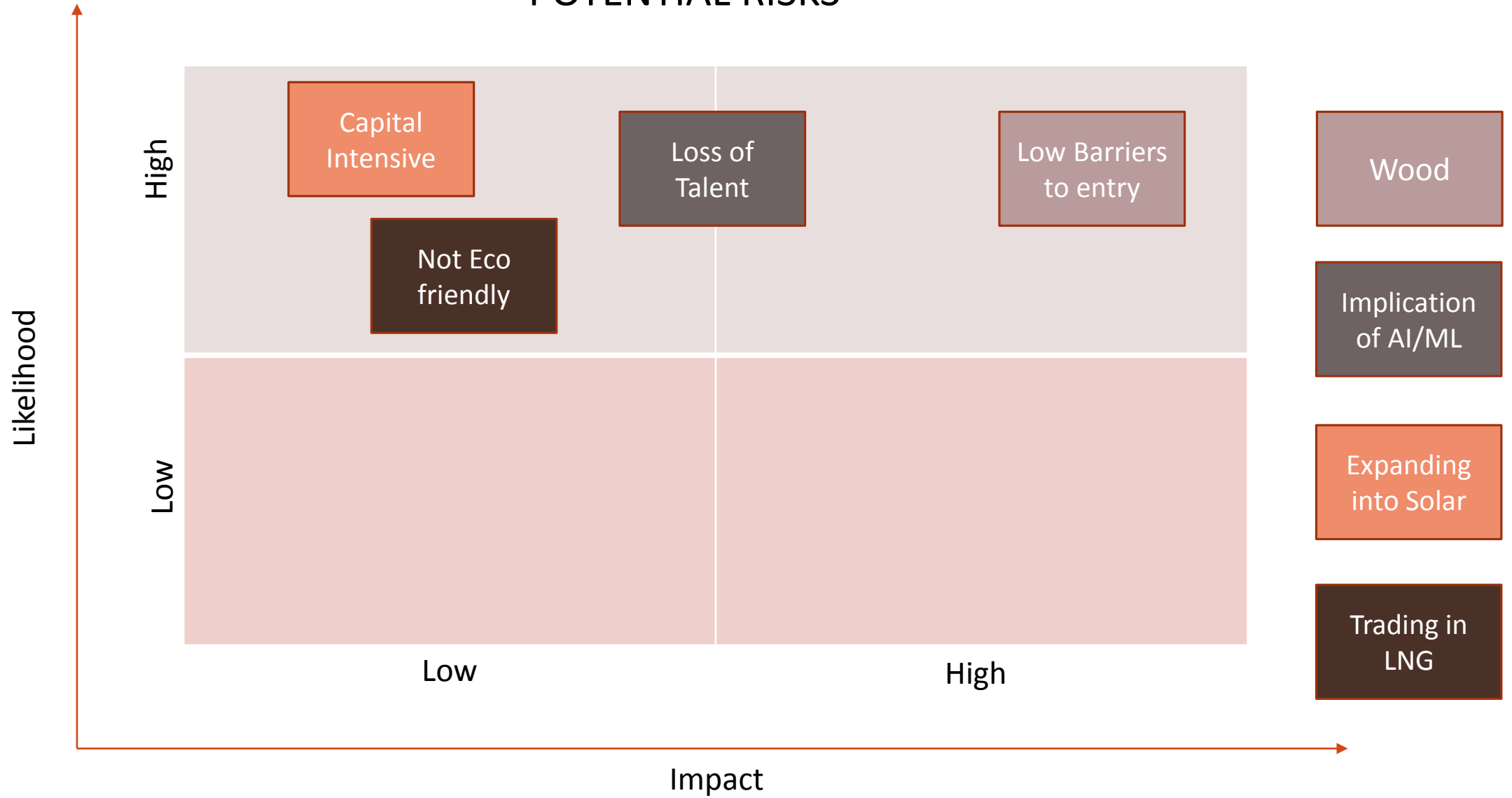
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POTENTIAL RISKS



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Conclusion

- Renewables Energy is the future- Expansion into Solar Sector through an alliance is futureproofing the business capability and simultaneously managing the high barriers to entry
- The overall population is on the rise which makes the scaling up of grain business a must
- Diversification of wood business will help manage risk of the business