SABANA FAMILY

FAMILY INVESTMENT & ASSET MANAGEMENT

DEALFORGE

Investment, Merger & Acquisition Workbook

Second edition — a principal's field guide from sector thesis to exit

BUILD • GROW • PRESERVE

Version 2.1 · November 2026 · Internal & Partner Use · Companion to the DEALFORGE system

HOW TO USE THIS WORKBOOK

A disciplined process beats a brilliant hunch

Most value in an acquisition is won or lost before the share purchase agreement is signed — in what you look at, how hard you test the numbers, what you refuse to pay for and how ready you are on Day 1 — and the rest in the years of ownership that follow. This second edition sets out how a senior analyst runs the whole cycle for a principal or family office: from the sector thesis that produces the deal, through screening, valuation, due diligence, the IC and closing, to managing the holding, measuring it honestly and deciding when to sell.

9
Modules
All nine DEALFORGE modules in four layers — research, deals, portfolio, governance — so workbook and software follow one process.

9
Decision gates
Seven deal gates, the closing hand-over and the quarterly ownership gate, each with the evidence a principal should see.

15
Worksheets
From sector thesis and screening to the IC memo, the 100-day plan, the holding review and the governance pack.

Who it is for

- **Principals and family members** who approve capital — the "Principal's view" boxes and the gate checklists.
- **Investment analysts and deal leads** who run the work — every chapter, worksheet and template.
- **Investment Committee members** — Chapter 7 (decision) and Chapters 10–12 (portfolio oversight and governance).
- **Advisors** (legal, tax, financial DD, integration) — to align on scope, format and timing.

How the workbook maps to DEALFORGE



Read left to right: a sector thesis in **07** produces targets; a deal then flows **01 → 02 → 03 → 06 → 04 → 05** (the IC decides after valuation and due diligence, before the SPA); at closing the company becomes a holding in **08**, where its capital, fair value and returns are tracked until exit. **09** sits across the whole chain — it approves the LOI, tests every deal against the Investment Policy limits, runs the risk register and watch list, and reviews every quarterly valuation. Part B of this workbook covers research, Part C the deal, Part D ownership and governance. The companion *Private Equity Best Practice Guide* covers how the firm itself is built.

Not legal, tax or investment advice. Indonesian rules change often — confirm every regulatory step with counsel. The worked example, PT Arunika Logistik, is fictional (DEALFORGE demo data).

Conventions. Rp bn = Indonesian rupiah, billions (Rp miliar); all figures in examples are in Rp bn unless stated. Risk tags: DEAL-BREAKER (risk score ≥ 15), NEGOTIATE (8–14), MONITOR (below 8).

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TEN RULES A SENIOR ANALYST LIVES BY

1. Write the investment thesis before you open the data room — then try to break it.
2. Price is set by your standalone value plus only the synergies *you* create; never pay the seller for them in full.
3. Decide your walk-away price before negotiating and write it in the IC memo.
4. Normalise earnings. Reported EBITDA is a starting point, not a fact.
5. Every red flag must end in one of five outcomes: price, structure, condition, indemnity — or walk away.
6. Cash is the truth: reconcile EBITDA to operating cash flow and to bank statements.
7. In Indonesia, check tax, licences, land and related parties first — they break the most deals.
8. Keep a single deal record: one version of the numbers, one risk register, one decision log.
9. Day 1 starts at signing. Plan integration while you negotiate.
10. Measure the deal after closing against the IC memo — that is how an investor learns.

PART A · CHAPTER 1

Mandate, thesis and the principal's role

A family office that buys "good companies" ends up owning a random portfolio. A family office that buys against a written mandate builds a group. The mandate is the filter that saves the team from spending months on deals the principal will never approve.

1.1 The investment mandate

The mandate is a one-page document approved by the principal and reviewed once a year. DEALFORGE stores it under *Admin & mandate* and uses it to score every new deal automatically.

Element	What to define	Example (Sabana Family, illustrative)
Sectors	Where you have an edge: knowledge, network, existing companies that create synergies.	Logistics & cold chain, healthcare, downstream agribusiness, B2B technology
Geography	Where you can govern and integrate from your base.	Java, Bali, Lampung, North Sumatra
Ticket size	Minimum and maximum equity per deal, linked to total capital and concentration limits.	Rp 100 – 1,000 bn EV
Quality floor	Minimum profitability and maximum leverage you accept.	EBITDA margin ≥ 12%; net debt / EBITDA ≤ 3.0x
Return hurdle	Minimum unlevered IRR on the base case; may differ by risk class.	18% base-case IRR
Control	Majority, joint control or minority — and the governance rights required in each case.	Majority (≥ 51%) preferred; minority only with board seat and vetoes
Holding period & exit	Permanent capital or 5–7 year horizon; preferred exit routes.	Long-term hold; dividend capacity matters
Exclusions	Sectors, structures or counterparties you will not touch.	No nominee structures, no unresolved land disputes, no sectors closed to the family's values
Annual acquisition budget	Equity the family is prepared to commit in the year.	Rp 1,500 bn (tracked on the IC Dashboard)

1.2 The investment thesis

A thesis explains *why this company*, *why us*, *why now* — in three to five sentences a principal can repeat. It must be testable: every claim becomes a due diligence question.

Weak thesis

"Arunika is a growing logistics company in a growing market with good management. It will diversify our portfolio."

Nothing to test, no source of value, no reason why we are the right owner.

Strong thesis

"Arunika adds 9 warehouses and 140 trucks in East Java to our network and opens a cold-chain line. We create value through warehouse consolidation (Rp 24 bn/yr) and joint fuel procurement (Rp 12 bn/yr). The founder is retiring with no successor, so we can buy at 10x EBITDA or less."

Value creation levers — where the return comes from

Lever	Question to answer	Evidence needed
Buy well (entry multiple)	Why can we buy below fair value? Motivated seller, no auction, complexity others avoid?	Process dynamics, comps
Revenue growth	Market growth, share gains, new products, cross-selling to our group?	Commercial DD, pipeline
Margin improvement	Procurement, pricing, mix, overhead, digitisation?	Cost benchmarks
Synergies	Which costs disappear or revenues appear only because we own both?	Synergy plan with owners
Capital efficiency	Working capital release, capex discipline, asset-light options?	NWC analysis
Financing	Better cost of debt, refinancing, optimal leverage?	Bank term sheets
Exit / multiple	Will the business be worth a higher multiple when bigger, cleaner and better governed?	Precedent exits

1.3 The principal's role — and what to delegate

The principal decides

- The mandate and annual budget
- Whether to sign an LOI (Gate 3)
- The final IC decision and conditions (Gate 5)
- The walk-away price and any increase to it
- Who runs the company after closing

The deal team owns

- Sourcing, screening and first meetings
- The model, valuation and returns
- Running due diligence and advisors
- Drafting the IC memo with a clear recommendation
- SPA negotiation within the approved mandate
- The integration plan and Day-1 readiness

PRINCIPAL'S VIEW

Ask for three numbers in every update: **what we think it is worth** (base EV), **the most we will pay** (walk-away), and **what could kill the deal** (open deal-breakers). If the team cannot answer all three, the process is not ready for your time.

PART A · CHAPTER 2

The deal process, gates and governance

A typical private acquisition in Indonesia takes four to nine months from first contact to closing, and the integration plan runs another 100 days. The process below is the backbone of every chapter that follows.

2.1 Stages and decision gates

#	Stage	Key activities	Gate / output	Typical time
1	Sourcing	Market mapping, watchlist, inbound teasers, advisor network, signals (founder succession, refinancing, regulatory change)	Target on watchlist	ongoing
2	Screening	Teaser review, mandate fit score, desk research, first call with owner or banker	**Gate 1** — sign NDA?	1–2 weeks
3	NDA & IM	NDA, information memorandum, management meeting, high-level model	**Gate 2** — spend money on analysis?	2–4 weeks
4	Valuation & LOI	Full model, comps, scenarios, walk-away price, indicative offer, LOI with exclusivity	**Gate 3** — sign LOI?	3–6 weeks
5	Due diligence	Financial, tax, legal, commercial, operations, licensing, compliance, HR, IT & cyber, ESG	**Gate 4** — DD findings acceptable?	6–10 weeks
6	IC decision	IC memo, scoring, votes, conditions, final price authority	**Gate 5** — approve, approve with conditions, or decline	1–2 weeks
7	Negotiation & SPA	SPA, disclosure letter, ancillary agreements, financing, approvals	**Gate 6** — sign SPA?	4–8 weeks
8	Closing	Conditions precedent, funds flow, deed of transfer, regulatory filings	**Gate 7** — close?	2–8 weeks
9	PMI	Day 1, 100-day plan, synergy tracking, KPI and covenant monitoring	100-day review	100 days +

In DEALFORGE, stages 1–3 live in Module 01, valuation in 02, DD in 03, the decision in 06, SPA and closing in 04 and PMI in 05. Three gates are enforced by the system itself: due diligence cannot start until the LOI is approved under the delegation-of-authority matrix (Gate 3); a deal cannot move to SPA, Closing or PMI without an IC approval (Gate 5); and a deal whose equity cheque would breach an Investment Policy limit (single asset, sector, vintage, leverage, liquidity) is held at the IC stage until the family council approves a limit exception.

2.2 Roles (RACI)

Activity	Principal	IC	Deal lead	Analyst	DD lead	Advisors
Mandate & budget	**A**	C	R	I	I	–

Activity	Principal	IC	Deal lead	Analyst	DD lead	Advisors
Screening & NDA	I	–	**A**	R	–	–
Model & valuation	C	I	**A**	R	C	C
LOI & price authority	**A** (CIO sign-off)	C	R	C	–	C
IPS limit exception	R	C	R	C	–	–
Due diligence	I	I	A	C	**R**	R
IC memo & decision	**A**	R (vote)	R	R	C	–
SPA negotiation	C	I	**A**	C	C	R (legal)
Closing & filings	I	I	**A**	R	–	R
100-day plan	C	I	A	C	–	C

R = responsible, A = accountable (one per row), C = consulted, I = informed. A limit exception is accountable to the family council (not shown), which sits above the IC in the delegation-of-authority matrix.

2.3 Governance principles

One deal record

All numbers, documents, findings, votes and decisions live in one place with an audit trail. Email attachments are not a record.

Separation of advocacy and approval

The deal team recommends; the IC decides. A member with a conflict of interest declares it and does not vote.

Versioned valuation

Each model version is saved and approved. The IC decides on a named version, never on a spreadsheet that keeps changing.

Price authority

The IC approves a price range and a walk-away. Any increase above the walk-away goes back to the IC — no exceptions in the heat of negotiation.

Delegation of authority

Who approves what is written down by amount: the CIO or principal signs the LOI, the IC takes the final investment decision, the family council approves limit exceptions, changes to the policy and the largest exits and follow-ons. Nobody approves their own request, and IC-level approvals need two signatures.

Policy before preference

Every deal is tested pro forma against the Investment Policy Statement limits before the IC votes. A breach is not a veto, but it is a separate decision for the family council, recorded with its reason.

2.4 Advisor plan and budget

Advisor	Scope	When to appoint	Fee basis (typical)
Legal counsel	Legal DD, structure, LOI/SPA, corporate approvals, KPPU/OJK filings	Before LOI	Capped fee per phase

Advisor	Scope	When to appoint	Fee basis (typical)
Financial DD (accounting firm)	Quality of earnings, net debt, working capital, cash proof	After LOI	Fixed fee
Tax advisor	Tax DD, structuring, transfer taxes, SPA tax clauses	After LOI	Fixed fee
Commercial / technical	Market, customers, assets, operations, IT & cyber, environment	As needed	Fixed fee
Valuation / M&A advisor	Independent valuation (required for some related-party or listed deals), negotiation support	Valuation stage	Retainer + success fee
Notary	Deeds of transfer, GMS minutes, AHU filings	SPA stage	Per deed

Rule of thumb: plan external advisor costs at 1–3% of EV for mid-market deals, spend most of it only after a signed LOI with exclusivity, and agree in the LOI who bears costs if the seller withdraws.

Investment Research — theses, research notes and where deals come from

A family office that waits for bankers to send teasers buys what others want to sell. A family office with written sector theses knows which companies it wants before they are for sale, meets the founders early and pays a fair price without an auction. Module 07 is where that work lives: the theses, the research behind them, and the link from every deal back to the thinking that produced it.

3.1 The research cycle

Step	What the analyst does	Output in DEALFORGE
Map	Size the sector, list the players, read the regulation, talk to five people who know it — operators, customers, bankers, regulators	Sector data (median multiple, growth, deals in 12 months) and research notes of type *Sector* and *Expert call*
Decide	Write the thesis: why this sector, why now, why us, what we would pay, what would make us stop	Thesis record with conviction (1–5), key questions, kill criteria and a review date
Target	List 20–100 companies that fit; score them against the mandate; note the signal that would make each one actionable (founder succession, refinancing, carve-out)	Watchlist targets with mandate fit and the latest market signal (01 → Sourcing & market)
Engage	Meet founders before they decide to sell; keep notes of every meeting; add precedent transactions as they close	Notes of type *Company* linked to the target; precedent transactions
Convert	When a target becomes a deal, link it to its thesis so the IC sees the thinking, not just the numbers	Deal → thesis link; the thesis page shows its pipeline and its holdings
Review	Once a year test every thesis against what happened: deals done, deals lost, prices paid, holdings' performance	Thesis status: active, watch or retired; new review date

3.2 What a thesis must contain

Why this sector, why now

Two or three structural facts with numbers: fragmentation, growth above GDP, regulatory change, succession wave. If you cannot name the numbers, you have an opinion, not a thesis.

Why us

The family's right to win: an existing business that gives synergies, relationships with founders, operating know-how, patient capital. Without it, a fund with cheaper money will outbid you.

How we make money

Entry multiple range, the two or three value levers (Chapter 5 of the *PE Guide*), likely exit routes and buyers. A thesis that only works at a higher exit multiple is a bet on the market.

Kill criteria

Written before the first deal: the facts that would make you stop — customer concentration above a threshold, a licence that cannot transfer, an entry multiple above a ceiling. Kill criteria make it easy to say no later.

CONVICTION AND PACING

Rate each thesis 1–5. Only theses rated 4 or 5 get active origination time and advisor spend; a 3 stays on watch with a review date; a thesis that falls to 2 is retired and its targets archived. Conviction is reviewed by the IC once a year — it is the simplest way to stop the pipeline filling with deals nobody really wants.

3.3 Research notes — short, sourced, with takeaways

A research note is one page at most. It records what was learned, where it came from and what it means for the thesis. DEALFORGE stores every note against its thesis, company or deal, and can summarise the note into three to five takeaways plus one implication with AI — the analyst edits the result; the source note stays as written.

Type	Use it for	Minimum content
Sector	Market size, prices, capacity, regulation, competitive moves	Source and date of every figure
Company	A target or holding: product, customers, numbers, people	Who said what; what is verified vs claimed
Macro	Rates, currency, policy — only where it changes a decision	The decision it affects (WACC, leverage, hedging)
Deal	Follow-ups during a live process (a customer call, a site visit)	Link to the deal; next action and owner
Expert call	Interview with an operator, customer, former executive or regulator	Who they are (role, not necessarily name), conflicts, the three things they said that matter

Expert calls: agree confidentiality in advance, never ask for material non-public information about a listed company, and never pay a current employee of a target for information.

3.4 From thesis to pipeline

The link between a thesis and its deals is what makes research accountable. On the thesis page the IC sees the funnel — how many targets were mapped, how many became deals, how many closed, at what multiple — next to the holdings the thesis already produced and their MOIC. A thesis that has produced three deals and no closings in two years is telling you something: either the price discipline is right and the market is wrong, or the thesis is.

Signal on the thesis page	What it usually means	Response
Many targets, few deals	Owners are not sellers yet, or the approach is wrong	Succession-capital positioning; patient founder relationships

Signal on the thesis page	What it usually means	Response
Deals reach the IC but are declined on price	Market multiple above the thesis ceiling	Move to watch; revisit when valuations fall
Closings whose MOIC lags the thesis	Value levers over-estimated, or integration under-resourced	Look-back (Worksheet 7); adjust the value creation plan template
Holdings on the watch list concentrated in one thesis	A sector problem, not a company problem	Sector review before the next deal; check the IPS sector limit

PRINCIPAL'S VIEW

Ask the team for the thesis before you ask for the deal. If the first page of the IC memo cannot say which thesis the company serves and which kill criteria were tested, send it back. Deals without a thesis are how a family office turns into a collection of unrelated companies.

WORKSHEET 13

Sector thesis and research log

Sector / sub-sector _____ **Conviction (1–5)** _____

Why now (two facts with numbers) _____ **Kill criteria** _____

Why us (right to win) _____ **Targets mapped / on watchlist** _____

Entry multiple ceiling _____ **Review date / owner** _____

Date	Type	Source and takeaway	Implication for the thesis

Deal Pipeline — sourcing, screening and first contact

The quality of the pipeline sets the ceiling on returns. The analyst's job in this phase is to see many opportunities, kill most of them quickly and cheaply, and bring the few that fit to the principal with a clear reason to proceed.

4.1 Sourcing channels

Channel	How to work it	Quality of deal flow
Proprietary / direct	Map every company in target sectors; approach owners directly, especially founders aged 60+ without successors.	Best less competition, better price
Network & portfolio	Customers, suppliers and management of companies you already own know who wants to sell.	High warm introductions
Banks & refinancing	Lenders know which borrowers face maturities or covenant pressure.	Mixed speed needed, distress risk
Sell-side advisors	Get on the distribution lists of the active mid-market advisors.	Competitive auctions push price up
Market signals	Director changes at AHU, licence filings, refinancing news, new regulation, sector consolidation.	Early needs follow-up

Track every target in the **watchlist** with a mandate fit score and the latest signal (DEALFORGE: *Deal Pipeline → Sourcing & market*). Review it monthly with the principal.

4.2 Screening against the mandate

Score every teaser the same way so decisions are consistent and fast. DEALFORGE reads the teaser with AI, extracts the key fields with a confidence score and computes the fit automatically; the analyst verifies any field below 75% confidence.

Criterion	Weight	Pass rule	If data is missing
Sector	25	Sector is in the mandate list	Half points; ask in first call
Ticket size	20	Asking EV within minimum–maximum ticket	Half points
Geography	15	Main operations in a mandate region	Half points
EBITDA margin	20	At or above the minimum margin	Half points
Leverage	20	Net debt / EBITDA at or below the maximum	Half points
Total 100		≥ 80 proceed to NDA · 60–79 discuss with deal lead · below 60 decline or park on watchlist	

Teaser red flags — stop or ask before signing an NDA

- EBITDA "adjusted" by more than 15% with no explanation
- One customer above 30% of revenue
- Revenue growth far above the market with flat headcount
- Audited accounts missing, qualified or more than one year old
- Licences "in process" for the core activity
- Land used but not owned or leased on paper
- Large related-party sales, loans or guarantees
- Seller unwilling to say why they are selling

4.3 NDA and Information Memorandum

NDA — points to check

- Scope: covers the information *and* the fact that discussions exist.
- Term: 1–2 years is normal; avoid perpetual obligations.
- Non-solicitation of employees: limit to people you met in the process, 12 months.
- Permitted disclosure to advisors, financiers and family-office governance bodies.
- No obligation to proceed, no exclusivity, no standstill unless the target is listed.
- Governing law and dispute forum acceptable (Indonesian law and courts, or arbitration such as BANI or SIAC).

Information Memorandum — the ten questions to answer

1. What exactly does the company sell, to whom, and why do customers choose it?
2. Revenue by customer, product, region — and concentration in the top 10.
3. Three-year history of revenue, EBITDA and cash conversion (EBITDA → operating cash flow).
4. What is in "adjusted EBITDA", and is each adjustment really one-off?
5. Net debt, including leases, shareholder loans, unpaid taxes and severance provisions.
6. Capex history versus depreciation — is the business under-invested?
7. Licences, land and key contracts — owned, leased, expiring, change-of-control clauses?
8. Management depth: who stays, who leaves with the seller?
9. Why is the owner selling and what will they do afterwards?
10. Process: timetable, number of bidders, what the seller values beyond price.

4.4 First management meeting

Prepare

- Your one-page thesis and the three biggest doubts
- A list of 15–20 questions, ranked
- Who on your side asks what (finance, operations, principal)
- Site visit if assets matter (warehouses, plants, clinics)

Listen for

- Consistency between owner, CFO and operations head
- How they explain bad years — blame or ownership?
- Dependence on the founder for customers and permits
- Expectations on price, role after closing, staff guarantees

WORKSHEET 1

Deal screening card

Target _____ **Revenue (Rp bn)** _____

Sector / KBLI _____ **EBITDA (Rp bn) / margin** _____

Location _____ **Net debt / EBITDA** _____

Seller & motive _____ **Asking EV / multiple** _____

Source / advisor _____ **Mandate fit (0–100)** _____

Thesis in one sentence _____

Top 3 doubts _____

☐ Proceed to NDA ☐ Watchlist ☐ Decline — reason: _____ Decided by _____ Date _____

Financial Analysis & Valuation

Valuation is not a number; it is a range with reasons. The analyst's job is to build an honest picture of sustainable earnings and cash flow, value it three different ways, and translate it into three prices the principal can use: what it is worth, what we offer, and the most we will ever pay.

5.1 Start with quality of earnings

Begin with three years of audited accounts plus year-to-date management accounts. Rebuild EBITDA line by line and classify each adjustment. Only adjustments that are truly non-recurring and supported by evidence belong in "normalised EBITDA".

Typical adjustment	Direction	Test before accepting
Owner's salary above or below market	±	Benchmark the cost of a professional replacement CEO/CFO
Family members on payroll, personal expenses	+	Are the roles really unnecessary after closing?
Related-party sales or purchases not at arm's length	±	Re-price at market; will the contract continue after closing?
One-off legal, restructuring, consulting costs	+	Did similar "one-offs" occur in each of the last three years?
Rent on property owned by the shareholder	±	Lease to be signed at market rent as a condition
Under-provided severance, bonuses, BPJS	−	Actuarial report; check payroll vs BPJS reports
Capitalised costs that are really operating	−	Review fixed-asset additions and capitalisation policy
Pro-forma "full-year" effect of new contracts	+ (be careful)	Signed, started and paying? Otherwise exclude

Cash conversion test

Operating cash flow ÷ EBITDA should be 70–90% for most service and logistics businesses. Persistently lower conversion means receivables, inventory or "EBITDA" that never becomes cash. Reconcile to bank statements for at least 12 months.

Revenue quality

Split revenue into contracted/recurring, repeat, and one-off. Check churn of the top 20 customers over three years, price changes, and whether growth came from volume or price.

5.2 Net debt and working capital — the bridge to equity

The seller sells equity; you value the enterprise. Everything between EV and the cheque you write must be defined in the LOI and the SPA.

Debt-like items (reduce price)	Cash-like items (increase price)
Bank loans, bonds, accrued interest	Free cash (excluding trapped or restricted cash)
Finance leases and IFRS 16/PSAK 73 lease liabilities (decide treatment consistently with the multiple used)	Tax refunds confirmed by the tax office
Shareholder and related-party loans	Excess deposits that can be released
Unpaid taxes, tax assessments (SKP) under dispute, penalties	Non-operating assets that will be sold
Unfunded severance and post-employment benefits	
Declared but unpaid dividends; deferred consideration from earlier deals	
Capex overdue (deferred maintenance) — negotiate as a price reduction	

Normalised working capital (NWC peg). Agree an average level of receivables + inventory − payables (usually the 12-month average, adjusted for seasonality). If NWC at closing is below the peg, the price falls rupiah for rupiah; if above, it rises. Without a peg, a seller can collect receivables and delay payables just before closing.

5.3 Discounted cash flow (DCF)

1. **Project 5 years** (up to 10 for long-cycle businesses): revenue growth, EBITDA margin path, D&A, capex, change in NWC, tax at 22% Indonesian corporate rate.
2. **Free cash flow to firm (FCFF)** = EBIT × (1 − tax) + D&A − capex − ΔNWC.
3. **Discount at WACC** — the blended cost of equity and debt in rupiah.
4. **Terminal value** by Gordon growth (FCFF × (1 + g) ÷ (WACC − g)) and cross-check with an exit multiple.
5. **EV** = present value of FCFF + present value of terminal value.

Building WACC in rupiah (illustrative)

Component	Example	Source / comment
Risk-free rate (10-year SBN yield)	6.5%	Use the current 10-year government bond yield on the valuation date
Equity risk premium	7.0%	Indonesian market premium (already includes country risk when using the rupiah risk-free rate)
Relevered beta	1.0	Median unlevered beta of listed peers, relevered at target debt/equity
Size / specific risk premium	2.0–3.0%	Private, smaller, founder-dependent companies
Cost of equity	**≈ 16.0%**	6.5% + 1.0 × 7.0% + 2.5%
Cost of debt after tax	≈ 6.6%	Bank rate 8.5% × (1 − 22%)

Component	Example	Source / comment
Target debt / (debt + equity)	30%	Peer average or your financing plan
WACC	**≈ 13.2%**	70% × 16.0% + 30% × 6.6%

SANITY CHECKS EVERY IC MEMBER SHOULD ASK

- **Terminal value share** above 75% of EV means the answer depends on the far future — test it hard.
- **Terminal growth** should not exceed long-run nominal GDP growth (and must be below WACC).
- **Implied exit multiple** from the Gordon TV should be close to today's sector multiples.
- **Margin path**: is the target margin achieved by any peer today?
- **Capex vs D&A**: a growing company cannot spend less on capex than its depreciation for long.

5.4 Market approaches — trading comps and precedent transactions

Trading comparables

Listed peers (IDX and regional exchanges). Use EV/EBITDA on LTM and next-year figures. Take the interquartile range, not the average, and adjust for size, growth and liquidity. Private control deals usually price at a discount for size and a premium for control — these partly offset.

Precedent transactions

Recent acquisitions of similar companies. Most relevant for control pricing. Check date (market conditions), stake acquired, buyer type (strategic buyers pay for synergies) and whether the multiple is on reported or normalised EBITDA.

5.5 Scenarios, not a single forecast

Build three internally consistent scenarios and weight them. Each scenario changes several drivers together — a recession lowers growth *and* margins *and* raises WACC.

Worked example — PT Arunika Logistik (Rp bn)

LTM revenue 480.5, EBITDA 72.0 (15.0% margin), net debt 170. Offer EV 720 (10.0x LTM EBITDA). Synergy NPV 300. Illustrative.

Scenario	Growth	Margin yr 5	WACC	g	EV	IRR at offer	MOIC	Weight
Bear	6%	14%	13.5%	3%	300	3.5%	1.2x	25%
Base	11%	18%	12.5%	4%	**753**	**18.0%**	2.1x	50%
Bull	15%	19%	11.5%	5%	1,260	26.3%	2.9x	25%
Probability-weighted EV					**766**	Terminal value is 72.5% of base EV		

Sensitivity of base EV to WACC and terminal growth

WACC \ g	3.0%	4.0%	5.0%
11.5%	778	859	966
12.5%	691	**753**	831
13.5%	620	669	729

Football field — value range by method (EV, Rp bn)

Method	Low	High	Read-across
DCF (WACC ±1%, g ±1%)	620	966	Offer 720 sits in the lower half
Scenarios bear – bull	300	1,260	Wide: outcome depends on growth plan
Trading comps (IQR 7.7x–9.1x)	551	653	Listed peers imply less than our offer
Precedent transactions (8.4x–10.2x)	605	734	Offer is at the top of the precedent range

5.6 Synergies and the walk-away price

Synergies are the reason a strategic buyer can pay more than a financial buyer — and the reason buyers overpay. Value them separately, net of the one-off cost to achieve them, with an owner and a date for each line.

THE WALK-AWAY FORMULA

Walk-away EV = Standalone EV (base) + k × NPV of synergies

k is the share of synergies you are willing to give to the seller — usually **0 to 0.5**, never more. In the Arunika example: 753 + 0.35 × 300 = **Rp 858 bn**. The offer of 720 leaves **138** of headroom. The walk-away is approved by the IC and is never exceeded without a new IC decision.

Synergy line	Run-rate / yr	One-off cost	Timing	Owner	Confidence
Warehouse consolidation	24	15	Month 6–12	COO	High
Joint fuel procurement	12	1	Month 3	Procurement	High
Cross-selling group customers	30	5	Year 2	Sales	Medium
IT integration	8	10	Year 1	CIO	Medium

Revenue synergies typically deliver later and less than planned; many practitioners haircut them by 50% before valuing.

5.7 Returns: IRR, MOIC and NPV to the buyer

- **Unlevered IRR** — pay the price today, receive FCFF each year and an exit value at the end of year 5 (exit multiple × final EBITDA). Compare to the hurdle (18% in the mandate).
- **MOIC** — total cash received ÷ price paid. Shows absolute value creation; combine with IRR.
- **NPV to the buyer** — DCF EV minus the price paid. Positive NPV at your WACC means the price creates value on a standalone basis.

Acquisition scenarios — price × stake (Arunika, base case)

Price point	EV	IRR	NPV	NPV + synergies	Cheque 51%	Cheque 70%	Cheque 100%
Our offer	720	18.0%	33	333	281	385	550
Standalone value	753	16.9%	0	300	297	408	583
Seller's asking price	800	15.3%	−47	253	321	441	630

Price point	EV	IRR	NPV	NPV + synergies	Cheque 51%	Cheque 70%	Cheque 100%
Walk-away	858	13.5%	−105	195	351	481	688

HOW TO READ THIS

Above the offer, the standalone IRR falls below the 18% hurdle — the deal only works if synergies are delivered. That is acceptable up to the walk-away, but the IC must see it explicitly: *"at the asking price, we depend on Rp 253 bn of synergy value to earn our return."*

5.8 From valuation to the Letter of Intent

What a good LOI contains

Term	What to write	Binding?
Price	EV (or range) on a cash-free, debt-free basis with a normalised working capital peg; equity price = EV − net debt ± NWC adjustment	No
Structure	Share or asset deal, stake, consideration (cash, earn-out, deferred), escrow / holdback	No
Key assumptions	Accounts, net debt and EBITDA the price is based on — so a lower DD outcome reprices transparently	No
Conditions	Satisfactory DD, IC approval, financing, regulatory and third-party approvals, key-people retention	No
Exclusivity	60–90 days; seller will not negotiate with others	**Yes**
Access	Data room, management, site visits, advisors	**Yes**
Confidentiality, costs, governing law	Each party bears its own costs unless the seller breaks exclusivity	**Yes**

WORKSHEET 2

Valuation summary for the IC

Item (Rp bn)	Bear	Base	Bull
Normalised LTM EBITDA			
DCF EV			
IRR at offer / MOIC			
Terminal value share of EV			

Trading comps range _____ **Synergy NPV / k** _____

Precedents range _____ **Proposed offer EV** _____

Probability-weighted EV _____ **Walk-away EV** _____

Net debt / NWC peg _____ **Model version approved** _____

Due Diligence & Risk

Due diligence is not a hunt for everything that is wrong. It answers three questions: *is the thesis true, is the price right, and what must the SPA protect us against?* Each finding must lead to a decision — and every decision must be visible to the IC.

6.1 Plan before you open the data room

1. Turn the thesis and the valuation assumptions into a list of **key questions** (10–20).
2. Assign each question to a **workstream** and an owner (internal or advisor).
3. Issue the **document request list** on day 1 with due dates; track it weekly.
4. Agree **materiality** with advisors (e.g. report items above Rp 1 bn or 1% of EBITDA) so reports focus on what matters.
5. Schedule **management sessions** and site visits early — documents explain the past, people explain the future.
6. Set a **red-flag call** after 3–4 weeks: stop early if a deal-breaker appears.

6.2 Workstreams and what to look for

Workstream	Key questions	Core documents
Financial	Normalised EBITDA, cash conversion, net debt, NWC peg, off-balance-sheet items, accounting policies	Audited FS (3 yrs), management accounts, GL, bank statements, debt agreements
Tax	Open tax years, disputes and SKPs, VAT compliance, withholding taxes, transfer pricing, tax-holiday conditions	Annual CIT returns (SPT), monthly VAT/WHT, tax audit letters, rulings
Legal	Ownership chain, articles of association, shareholder agreements, material contracts, change-of-control clauses, litigation, nominee arrangements	Deeds & MoLHR approvals, contracts, litigation register, security documents
Commercial	Market size and growth, competitive position, customer concentration and churn, pricing power, pipeline	Revenue by customer, contracts, market studies, customer calls
Operations	Capacity and utilisation, asset condition, capex backlog, supply chain, key suppliers and SLAs	Asset register, maintenance logs, capacity data, supplier contracts
Licensing	NIB and OSS business licences match actual activities (KBLI), sector permits, environmental approvals, land rights	NIB, OSS licences, sector permits, AMDAL/UKL-UPL, land certificates (SHM/HGB/HGU)
Compliance	Anti-bribery, sanctions, AML, related-party dealings, personal data protection (UU 27/2022)	Policies, whistleblowing reports, data-processing agreements, consent records
HR	Key people, collective labour agreement (PKB), contract vs permanent staff, severance liability, BPJS compliance	Employee list, PKB, payroll, BPJS reports, actuarial report

Workstream	Key questions	Core documents
IT & cybersecurity	System landscape, ownership of software and data, security incidents, backup and disaster recovery, access controls	IT inventory, pen-test reports, incident log, policies
ESG	Environmental liabilities, safety record, community issues, governance practices	Incident reports, permits, audits

6.3 Red flags that break Indonesian deals

Tax and accounting

- Turnover in tax returns different from audited accounts
- Open tax audits, objections or appeals at the Tax Court
- Two sets of books; cash sales not recorded
- Large receivables from related parties or shareholders

Legal and licensing

- Shares held by nominees for a foreign or undisclosed owner
- KBLI of the licence does not cover the actual business
- Key land in the owner's personal name, or HGB near expiry
- Change-of-control clauses in the largest contracts

People

- Unpaid or under-reported BPJS contributions
- Long-serving staff on repeated fixed-term contracts (PKWT)
- Unfunded severance; key managers related to the seller

Data and systems

- No data-processing agreements with vendors holding customer data
- Shared IT with the seller's other businesses
- No backups or recent security incidents not disclosed

6.4 Scoring risk consistently

Every finding gets three scores, so a tax issue and a contract issue can be compared on one scale:

Risk score = Severity (1–5) × Likelihood (1–5) × Confidence (0–1)

Severity — impact on value or on the deal if it happens. **Likelihood** — chance it happens. **Confidence** — how sure we are of the evidence (an AI-extracted clause not yet checked by counsel might be 0.7).

Score	Category	Typical response
15 – 25	DEAL-BREAKER CANDIDATE	Must be resolved before signing: fixed as a condition precedent, priced, ring-fenced by specific indemnity — or the deal stops
8 – 14	NEGOTIATE	Price adjustment, SPA warranty, indemnity, escrow or a post-closing covenant
below 8	MONITOR	Note in the risk register; include in the 100-day plan

Worked example — Arunika findings

Finding	S	L	C	Risk	Response
Change of control lets the main principal terminate the distribution contract (31% of revenue)	5	4	0.90	**18**	CP: principal's written consent before closing
One customer = 38% of revenue; contract ends March 2027	4	4	0.95	**15**	10% earn-out tied to 24-month retention
2024 tax-return turnover Rp 12.4 bn below audited revenue	4	3	0.80	10	Fiscal reconciliation; specific tax indemnity Rp 15 bn
Post-employment benefits not actuarially calculated	3	3	0.85	8	Actuarial report before SPA; treat shortfall as debt
5% volume penalty in distribution contract	3	2	0.85	5	Include in bear case; monitor

6.5 The mitigation toolkit — turning findings into protection

Tool	Use when	Watch-outs
Price reduction	The issue is certain and quantifiable (deferred capex, NWC shortfall, unpaid tax)	Agree the number, not "to be discussed"
Condition precedent	Something must be true before you pay (consents, licences, permit renewals, debt repayment)	Long-stop date; who can waive it
Specific indemnity	A known risk with uncertain outcome (tax dispute, litigation)	Seller's ability to pay — back it with escrow
Escrow / holdback	You need security for warranties and indemnities	10–15% for 12–24 months is common in private deals
Earn-out	Value depends on future performance or key customer retention	Define metrics and accounting precisely; disputes are common
Warranties	General protection for unknown issues	Disclosure letter qualifies them; limits, baskets and time caps
W&I insurance	Clean exit for seller, protection for buyer	Excludes known issues and many tax items
Restructuring pre-closing	Assets or contracts sit in the wrong entity	Tax cost of the reorganisation
Walk away	Fraud, nominee ownership, core licence or land cannot be fixed, integrity concerns	Decide early; sunk costs are not a reason to continue

6.6 Reporting DD to the IC

- A **one-page red-flag summary**: deal-breaker candidates first, each with its proposed resolution.
- A **bridge from LOI price to recommended price**: each finding that changes value, in rupiah.
- The **SPA protection list**: CPs, specific indemnities, escrow amount, key warranties.
- The **100-day items**: monitor-level findings to fix after closing.

- Document status: what was requested, received, reviewed — and what the seller never provided.

WORKSHEET 3

Risk register

#	Finding	Workstream	S	L	C	Risk	Response / owner
1							
2							
3							
4							
5							
6							

Investment Committee decision

The IC exists to make the family's capital decisions deliberately: on the same evidence, against the same criteria, with dissent recorded. A good IC meeting is short because the memo did the work.

7.1 The IC memo — structure

Section	Content	Length
1. Recommendation	Proceed / proceed with conditions / decline; price range, walk-away, structure — in the first paragraph	½ page
2. Investment thesis	Why this company, why us, why now; value creation levers	½ page
3. Business & market	What it does, customers, competition, market growth	1 page
4. Financials	Normalised P&L, cash conversion, net debt, NWC	1 page
5. Valuation & returns	Football field, scenarios, IRR/MOIC/NPV at offer and walk-away, synergies	1 page
6. Key risks & mitigants	Deal-breaker candidates and how each is resolved; risks we accept	1 page
7. Deal structure	Stake, consideration, earn-out, escrow, key SPA protections, financing	½ page
8. Integration & management	Who runs it, Day-1 and 100-day priorities, integration budget	½ page
9. Conditions	Numbered list of conditions attached to approval	¼ page
Appendices	Model outputs, DD summary, risk register, comps	as needed

DEALFORGE drafts the memo with AI in Indonesian and English from the deal record (valuation, findings, scores); the deal team edits and saves it. Treat the draft as a first pass — numbers must match the approved model version.

7.2 Scoring the investment

Dimension	Weight	What a high score (80+) looks like
Strategic fit	20%	Core to the mandate; clear synergies with the existing group
Financial quality	20%	Stable margins, high cash conversion, clean accounts
Valuation & return	20%	Base IRR above hurdle at the offer; offer well below walk-away
Market & competition	15%	Growing market, defensible position, pricing power
Management & governance	10%	Capable team staying on; good controls; no integrity concerns
Execution & integration	15%	Clear plan, realistic synergies, capacity to integrate

Dimension	Weight	What a high score (80+) looks like

Investment score = weighted average − DD penalty (2 points per accepted deal-breaker candidate, 0.5 per accepted negotiation item)

≥ 75	60–74	< 60
Proceed	**Proceed with conditions**	**Decline**
And no open deal-breaker candidates.	Or ≥ 75 with open deal-breakers that conditions can resolve.	Record the reason; keep the company on the watchlist if appropriate.

The score is a discipline, not a machine: the IC may decide differently, but must write down why.

7.3 Running the IC meeting

1. **Pre-read**: memo and model version sent at least 3 working days before the meeting.
2. **Conflicts**: each member declares any interest; conflicted members do not vote.
3. **Presentation**: 15 minutes maximum — the memo is assumed read.
4. **Challenge**: questions from the list below; the deal lead answers, advisors on call.
5. **Private session**: members discuss without the deal team.
6. **Vote**: approve, approve with conditions, or reject — each with a written note.
7. **Decision**: the principal (or chair) locks the decision; conditions, price authority and walk-away recorded in the audit log.

TWELVE QUESTIONS EVERY IC SHOULD ASK

1. What do we believe that the seller does not?
2. What has to be true for the base case?
3. Which assumption, if wrong, hurts most?
4. How much of the price depends on synergies?
5. What is the walk-away and why that number?
6. What did DD find that we have not priced?
7. Who runs the business on Day 1?
8. What does the downside look like in cash?
9. Could we lose the top customer or key licence?
10. How does this fit our budget and concentration limits?
11. What would make us walk away now?
12. How will we know in 12 months if this worked?

WORKSHEET 4

IC decision record

Deal _____ **Approved price range** _____

Meeting date _____ **Walk-away EV** _____

Model version _____ **Votes (for / cond. / against)** _____

Investment score _____ **Conflicts declared** _____

☐ Proceed ☐ Proceed with conditions ☐ Decline

Conditions (numbered) _____

Dissent / notes _____

Signed (chair / principal) _____ **Date** _____

Transaction Management — LOI to closing

After IC approval the deal becomes a project with a critical path: the SPA, the conditions precedent, regulatory steps and the money. Most delays come from approvals and third-party consents that were identified late. Manage them as a checklist from the day the LOI is signed.

8.1 Choosing the structure

	Share purchase	Asset purchase
What you buy	The company with all its history, assets, liabilities, contracts and licences	Selected assets and contracts; liabilities stay with the seller unless assumed
Licences & contracts	Stay in place (watch change-of-control clauses)	Often need re-application or novation, which takes time
Employees	Stay employed by the same company	Transfer requires new employment; severance implications
Tax on the seller	Gain on unlisted shares taxed as ordinary income for resident companies (22%); listed shares 0.1% final on gross; non-resident seller of unlisted shares: 5% of transfer value unless a treaty applies	Gain on assets taxed as ordinary income; 2.5% final income tax on land and building transfers
Taxes on the buyer	None on the share transfer itself	VAT on taxable goods (12% headline, 11% effective for non-luxury items); land and building acquisition duty (BPHTB) up to 5%
Historical risk	Inherited — protect with warranties, indemnities, escrow	Largely left behind — cleaner, but slower and costlier
Typical use	Most private acquisitions of whole companies	Carve-outs, distressed sellers, high historical risk

Mergers and restructurings may use book value for tax purposes subject to Directorate General of Taxes approval and conditions (PMK 81/2024 as amended, most recently by PMK 1/2026). Foreign buyers must check the Positive Investment List (Perpres 10/2021 as amended by Perpres 49/2021) for ownership limits in the target's KBLI. Confirm all tax positions with your tax advisor.

8.2 SPA — the terms that matter

Term	What to negotiate
Price mechanism	*Completion accounts*: final price adjusted for actual net debt and NWC at closing (more accurate, more work). *Locked box*: price fixed on a past balance sheet with no "leakage" to the seller after that date (simpler, needs strong DD).
Consideration	Cash at closing, deferred payment, earn-out, escrow / holdback, vendor loan or rollover equity

Term	What to negotiate
Conditions precedent	Corporate and regulatory approvals, third-party consents, no material adverse change, resignation of directors, repayment of shareholder loans, IC conditions; long-stop date
Warranties	Title and capacity (fundamental), accounts, tax, compliance, licences, contracts, employees, litigation, IT & data; given at signing and repeated at closing
Indemnities	Specific indemnities for known issues (tax years, disputes) — rupiah for rupiah, outside general caps
Limitations	De minimis and basket (e.g. 1% of price), cap (e.g. 20–30% for general warranties, 100% for title and tax), time limits (18–24 months general, 5+ years tax)
Covenants	Conduct of business between signing and closing; seller non-compete and non-solicit (2–3 years); transitional services
Termination	Long-stop date, material breach, MAC; break fees where appropriate
Governing law & disputes	Indonesian law for Indonesian shares; arbitration (BANI, SIAC) usually preferred over courts

Agreements involving Indonesian parties must be executed in Bahasa Indonesia (Law 24/2009; Presidential Regulation 63/2019) — bilingual versions are standard. Agree which language prevails. Confirm with counsel.

8.3 Indonesian approvals and filings (private share acquisition)

#	Step	What happens	Timing
1	Internal approvals of the buyer	IC approval; board of commissioners and GMS of the buying entity where its articles require	Before SPA signing
2	Target's corporate approvals	Waiver of pre-emptive rights by other shareholders; GMS approval of the share transfer per the articles. Where control changes, Company Law procedures for acquisitions apply (announcement to the public and to employees before the GMS, creditor objection period, GMS quorum and majority — typically ¾)	Announcement at least 30 days before the GMS invitation
3	Third-party consents	Lenders, key customers and suppliers with change-of-control clauses, landlords, licence holders	Start at LOI
4	Sector regulators	Where applicable: OJK (financial services), Bank Indonesia (payments), sector ministries for regulated licences	Before closing
5	Deed of share transfer	Notarial deed or private deed per the articles; update of the shareholder register	At closing
6	Notification to MoLHR (AHU)	Notification of the change in shareholders and any amendment of the articles; for a share acquisition this also marks the legally effective date for KPPU	Promptly after closing
7	OSS / investment data	Update ownership data in OSS; status change to foreign investment (PMA) if a foreign buyer enters	After AHU notification

#	Step	What happens	Timing
8	KPPU merger notification	Mandatory post-closing notification if combined Indonesian assets > Rp 2.5 trillion (banks Rp 20 trillion) or combined Indonesian sales > Rp 5 trillion, counting group companies. Voluntary written pre-consultation is available	Within 30 working days of the legally effective date
9	Public announcement of result	Where Company Law acquisition procedures apply	Within 30 days after effectiveness
10	Employees	Communication; rights under the labour law and PP 35/2021 where employees do not wish to continue after a change of control	Day 1

LISTED TARGETS

Acquiring control of a public company triggers OJK takeover rules (POJK 9/2018): announcements, a mandatory tender offer to remaining shareholders, and a re-float obligation if the acquirer's holding exceeds 80% after the offer. Plan with capital-markets counsel and an independent valuer from the start.

KPPU late filing is costly. Fines are set under GR 44/2021 and KPPU regulations; recent cases range from Rp 1 bn to Rp 15 bn. The deadline counts from the legally effective date (for a domestic share acquisition: notification of the share transfer to MoLHR), not from signing. Calendar it in the closing checklist.

8.4 Timeline — the critical path (days from LOI)

Milestone	Day	Depends on
LOI signed, exclusivity starts (90 days)	0	Principal's price range (Gate 3)
First SPA draft exchanged	21	Structure agreed
DD red-flag call	28	Data room, management sessions
DD final reports	56	All workstreams
IC approval (Gate 5)	63	IC memo, model version, DD reports
Buyer board of commissioners approval	70	IC approval
SPA signed; deposit paid (Gate 6)	77	Disclosure letter, IC conditions in SPA
Exclusivity ends (extend in the SPA)	90	—
Seller GMS; lender and third-party consents	100	Announcements and creditor period
CPs satisfied; funds flow approved	110–112	Consents, no MAC
Closing: deed, payment, handover (Gate 7)	**115**	All CPs
AHU notification — KPPU clock starts	115–120	Closing
KPPU notification filed (if thresholds met)	≤ 30 working days	AHU notification

About four months from LOI to closing is achievable for a clean private deal; regulated sectors, listed targets or slow consents add weeks or months.

8.5 Closing checklist and funds flow

Before closing day

- [ ] All CPs satisfied or formally waived (in writing)
- [ ] Bring-down of warranties confirmed
- [ ] Completion-accounts or locked-box leakage statement
- [ ] Funds flow memo signed by both sides
- [ ] Payoff letters from lenders; security release documents
- [ ] Escrow agreement signed, account opened
- [ ] Resignation letters of outgoing directors and commissioners
- [ ] Board and GMS resolutions appointing new management

On and after closing day

- [ ] Deed of share transfer executed; register updated
- [ ] Consideration paid per funds flow; receipts obtained
- [ ] Books, company seals, bank tokens, system passwords handed over
- [ ] Bank signatories changed
- [ ] AHU notification filed; OSS data updated
- [ ] KPPU notification calendared / filed
- [ ] Employee and customer communications sent (Day 1)
- [ ] Integration management office starts the 100-day plan

Funds flow — illustrative (Arunika, Rp bn)

Item	Amount	Paid to	When
Enterprise value agreed	720.0		
Less: net debt at closing	(170.0)		
Equity price (before NWC adjustment)	**550.0**		
Deposit at SPA signing (10%)	55.0	Seller / escrow agent	Day 77
Closing payment (70%)	385.0	Seller	Day 115
Escrow / holdback (10%), 12 months	55.0	Escrow agent	Release month 12
Earn-out (10%), customer retention 24 months	55.0	Seller, if earned	Month 24–27
Repayment of bank debt at closing	per payoff letter	Lenders	Day 115

DEALFORGE generates this schedule from the equity cheque on the deal (10/70/10/10 split), tracks each payment and condition, and imports the IC's approved conditions as CPs.

WORKSHEET 5

Conditions precedent tracker

#	Condition	Source	Owner	Due	Status	Evidence
1						
2						
3						
4						
5						
6						

Source: IC condition / SPA / regulator / lender. Status: open, in progress, done, waived (who waived and when).

Post-Acquisition Integration — Day 1 and the 100-day plan

The deal is paid for on closing day; the value is earned in the next two years. Integration fails most often for human reasons — unclear leadership, lost key people, customers who hear nothing — not for technical ones. Plan it during negotiation and start on Day 1.

9.1 Integration approach

Preserve
Keep the company largely independent; integrate only finance, reporting, governance and compliance. Suits a new sector or a strong standalone brand.

Optimise
Integrate selected functions (procurement, IT, back office) to capture cost synergies; keep commercial identity.

Absorb
Fully merge into an existing group company. Highest synergies, highest risk to people and customers.

Choose explicitly in the IC memo. The approach decides the integration budget, the people plan and the synergy timing.

9.2 Integration governance

- **Steering committee** (principal, deal lead, new CEO/CFO): monthly — decisions, budget, escalations.
- **Integration management office (IMO)**: one full-time lead; weekly tracking of the 100-day plan, risks and synergies.
- **Workstream owners**: one named person per workstream with a budget and dated milestones.
- **Day-1 rule**: nothing changes for customers on Day 1 except what you announce on purpose.

9.3 Day-1 readiness checklist

- [ ] Bank accounts, signatories and payment approvals under new control
- [ ] Delegation of authority and approval limits signed
- [ ] CEO/CFO and key managers confirmed; retention letters signed
- [ ] Employee town hall and written announcement
- [ ] Customer and supplier letters (top 20 called personally)
- [ ] Insurance policies endorsed to the new owner
- [ ] IT access reviewed; seller's access removed
- [ ] Company seals, books, licences and land certificates secured
- [ ] Payroll runs correctly in month 1
- [ ] Media and regulator communication (if any)

9.4 The 100-day plan by workstream

Workstream	Days 1–30	Days 31–60	Days 61–100
Operational readiness	Day-1 checklist; cash controls; 100-day plan approved by the board	Monthly reporting to group format	First quarterly review vs IC plan
Recruitment & people	Day-1 communication; key-people retention agreements	Recruit CFO / integration lead; organisation chart final	Harmonise HR policies and payroll; performance targets
Office & assets	Building access, assets and insurance transferred	Office setup and warehouse consolidation plan	Consolidation executed (first sites)
Systems & IT	Cybersecurity and access-rights review; email and accounts migrated	Reporting interface to group	ERP integration and group monthly reporting live
SOPs & policies	Authorisation and delegation-of-authority SOP	Group compliance and anti-bribery policy adopted	Joint procurement SOP live
Budget	Integration budget approved	Monthly tracking of one-off costs	Review one-off costs vs budget; reforecast

This is the standard plan DEALFORGE generates when you click "Start post-acquisition integration"; adjust items, owners, due days and budget per deal. The integration budget is typically 1–3% of EV for an "optimise" approach.

9.5 Tracking value after closing

What to track	How	Alert when
KPIs vs IC plan	Revenue, EBITDA margin, cash conversion, utilisation, customer retention — plan vs actual each month	Two months below plan, or >10% off in one month
Synergy tracker	Run-rate achieved vs target per line, with owner	Below 75% of target at the planned date
Bank covenants	Net debt/EBITDA, DSCR vs limits	Within 10% of a limit
Integration plan	Readiness % done, late items, blocked items	Any blocked item; late items on the critical path
Integration budget	Actual one-off cost vs budget per item	Variance above 10%
People	Attrition of key people and top performers	Any departure on the key-people list

FAMILY-BUSINESS SELLERS

When the seller is a founder or family, the transition of relationships matters as much as systems. Agree a 6–12 month transition role, introduce the new leaders to the top customers and officials together, and honour commitments made to long-serving staff. Respect is part of the purchase price.

WORKSHEET 6

100-day plan

Item	Workstream	Owner	Due day	Budget	Actual	Status

IC Dashboard — capital, returns and portfolio oversight

Individual deals are approved one at a time; the family's capital is managed as a whole. The IC dashboard answers the questions a principal asks every quarter: how much have we committed, how much is the pipeline asking for, are our deals earning their hurdle, and where is the risk?

10.1 Capital and budget

Measure	Definition
Acquisition budget	Equity the family approves for acquisitions in the period (set in the mandate)
Capital committed	Equity cheques of deals approved by the IC or at SPA, closing or PMI
Pipeline capital need	Equity cheques of deals at valuation & LOI, DD or IC stage not yet approved
Budget remaining	Budget − committed. Warn when committed + pipeline exceeds the budget

INVESTMENT POLICY LIMITS (MODULE 09)

The IC dashboard manages the acquisition budget for the period; the Investment Policy Statement limits manage the whole private equity allocation. DEALFORGE measures both continuously and shows the pro-forma effect of every pipeline deal.

- Single investment: no company above 20% of the allocation (at cost).
- Sector: no sector above 40%; vintage: no single year above 50%.
- Leverage: weighted net debt / EBITDA of the holdings below 3.0x.
- Liquidity reserve: at least 15% of the allocation unused for follow-ons, earn-outs and covenant cures.

Illustrative levels; the family council sets and changes them through the IPS-change approval.

10.2 Returns and risk across the portfolio

- **Expected returns**: base IRR and NPV per deal from the latest approved model, against the hurdle. Deals below hurdle need a named reason (strategic, synergy-dependent).
- **Open risks**: deal-breaker candidates, negotiation items and unreviewed findings per deal.
- **Approval decisions**: meeting dates, scores, votes, final decision and status for every IC round.

10.3 Quarterly portfolio review

Agenda item	Output
Pipeline and capital	Deals to prioritise or drop; budget reallocation
Each portfolio company vs IC plan	Green / amber / red; actions and owners for amber and red
Synergies and integration	Achieved vs plan; decisions on blocked items

Agenda item	Output
Covenants and financing	Headroom; refinancing needs in the next 12 months
Look-back on recent deals	What the IC memo assumed vs what happened — lessons for the next memo
Mandate check	Does the mandate still reflect the family's strategy?

10.4 From deal to holding — what happens at closing

Closing is where the deal layer hands over to the portfolio and governance layers. When the deal lead starts post-acquisition integration in DEALFORGE, the system does three things at once (and the deal stays linked to its sector thesis in 07), so nothing is lost between the deal team and the people who will own the company for years:

Layer	What is created	Who uses it
05 Integration	The portfolio company record and the standard 100-day plan (Chapter 9)	Deal lead, integration manager
08 Portfolio Management	A capital call and an investment for the equity cheque, booked to the investment vehicle (holding company or SPV); the holding is carried at cost until its first approved fair value	CFO, family council reporting
09 Risk & Governance	Every accepted DD finding with a risk score of 8 or more becomes a portfolio risk in the register, with its recommendation as the mitigation; the company enters the watch list at "normal"	Board representatives, risk owner

From the first quarter after closing, the holding is marked to fair value each quarter (prepared by the analyst, reviewed by someone else), its KPIs and covenants feed the early-warning triggers, and any follow-on or exit is a separate approval under the authority matrix — routines set out in Chapters 11 and 12.

10.5 The post-deal look-back

Twelve to eighteen months after closing, compare the deal with its IC memo: price paid vs walk-away, actual vs base-case EBITDA, synergies delivered, risks that materialised, integration cost. Share the results with the IC. This is the single most effective way for a family office to get better at buying companies.

WORKSHEET 7

Post-deal look-back

Measure	IC memo	Actual (month 12–18)	Lesson
EBITDA (Rp bn)			
Synergies run-rate			
Integration cost			
Key people retained			
Risks that materialised			
IRR to date / outlook			

Portfolio Management — vehicles, capital, fair value and returns

A deal ends at closing; an investment ends at exit. In between, the family needs to know three things every quarter: how much capital is in each company, what it is worth today, and what return it is earning. Module 08 keeps that record the way an institutional investor would — per vehicle, per holding, to recognised conventions — so the numbers a principal sees in year four are built on the same ledger that was opened on Day 1.

11.1 Vehicles — where the capital sits

Every holding belongs to an investment vehicle. The vehicle is the unit for which performance is measured and reported, and the unit that co-investors or lenders look at.

Vehicle	When the family uses it	What to set up in DEALFORGE
Holding company	Permanent family capital; most control deals; dividends reinvested	Create first — closings post their investment to the first holding-company vehicle
Deal SPV	Ring-fence one acquisition's debt; admit a partner on one deal	One vehicle per SPV; move the holding to it after closing
Co-investment SPV	Several families share one deal; the family leads	Commitment = the family's share; carry only if the family charges partners
Closed-end fund	Third-party capital at scale (regulated)	Commitment, hurdle and carry from the fund documents

Each vehicle carries a **commitment** (how much the family has agreed to put in), a **hurdle** (the preferred return before any profit share) and a **carry** (the team's or partners' share of profit above the hurdle). Even where the family is the only investor, set a hurdle and a carry: they make the team's incentive plan measurable and the net return honest.

11.2 The capital ledger

Four kinds of entry explain every rupiah. The first two are posted automatically; the others are recorded by the finance team as they happen.

Entry	Meaning	Source
Capital call	Family → vehicle. Money the family puts in	Posted at closing for the equity cheque; at approval for a follow-on; recorded manually for budget calls
Investment	Vehicle → company. Money that buys or supports a holding	Posted at closing (Chapter 10) and when a follow-on approval becomes final

Entry	Meaning	Source
Distribution	Company → vehicle → family. Dividends, recapitalisations, sale proceeds	Recorded as received; posted automatically when an exit approval becomes final
Fee	Vehicle costs: transaction costs, team budget, audit	Recorded by finance

DISCIPLINE

- Nothing is an investment unless an approval exists for it (Chapter 12) — the ledger follows the authority matrix, not the other way round.
- Reconcile the ledger to bank statements quarterly; the quarterly report (12.6) is built on it.
- Record transaction costs as fees at closing. Burying them in the investment flatters MOIC.

11.3 Fair value — the quarterly mark

Cost is a fact; value is a judgement. The rules make the judgement consistent:

- **At cost until the first approved mark.** A new holding stays at its investment amount; IPEV guidance accepts cost as the best estimate shortly after a transaction.
- **One method per quarter, with evidence.** EBITDA multiple (LTM EBITDA × a multiple from listed peers or precedents, less net debt, times ownership), DCF, a recent transaction or offer, or cost. The evidence is written in the mark.
- **Prepared by the analyst, approved by someone else.** The preparer cannot approve; the review belongs to the CIO or an independent member (Chapter 12). Net asset value, TVPI and IRR use only approved marks.
- **Up on evidence, down promptly.** An increase needs a new fact (earnings, a transaction, an offer); a deterioration is recognised in the quarter it becomes known.

Method	Use when	Evidence to write down
EBITDA multiple	Stable earnings; comparable listed companies or precedents exist	LTM EBITDA source; peer set and the discount applied for size and liquidity
DCF	Growth company; few comparables; long-dated cash flows	Approved model version; WACC and terminal assumptions
Recent transaction	A round, a partial sale or a credible offer within ~12 months	Price, date, counterparty, whether it is arm's length
Cost	Within 3–6 months of acquisition; no new evidence	Date of acquisition; confirmation nothing material changed

11.4 Measuring the return — the vocabulary

Measure	Definition	Read it as
Invested / realised / unrealised	Investment entries / distributions / fair value of what is still held	Where the money is
MOIC	(Realised + unrealised) ÷ invested, per holding	How many times the money came back

Measure	Definition	Read it as
IRR	Annualised return from dated cash flows (XIRR), shown only after six months	Speed of the return; sensitive to timing
Paid-in	Capital called into the vehicle	The denominator for everything below
DPI	Distributions ÷ paid-in	Cash actually returned — the number that matters most
RVPI	Net asset value ÷ paid-in	What is still on paper
TVPI	DPI + RVPI	Total value per rupiah paid in
Gross vs net	Net deducts the carry that would accrue if the portfolio were sold at today's NAV (European waterfall: return of capital → hurdle → catch-up → split)	Net is what the family keeps; quote net to the family council

11.5 Worked example — the sample portfolio

Fictional figures from the DEALFORGE sample data, as of the latest reporting quarter. Rp bn.

Holding	Vehicle	Invested	Realised	Fair value	Basis	MOIC	Watch
PT Kawan Data Integra (70%)	Sabana Investama Holdings	140	14	84	12.5× EBITDA, approved	0.70×	ACTION PLAN
PT Sinar Pangan Lestari (60%)	Sabana Co-Invest I	198	27	225	7.0× EBITDA, approved	1.27×	NORMAL
PT Bayu Armada Transport (100%)	Sabana Investama Holdings	420	0	420	At cost (closed this quarter)	1.00×	WATCH

Read across the row before reading down the column. Kawan Data Integra has returned 14 in dividends but is marked at 84 against 140 invested: the multiple fell with the sector and ARR is behind plan, which is why it sits on the watch list at *action plan* with an equity-cure request pending. Sinar Pangan is the opposite case — cash yield plus a mark supported by two unsolicited approaches. Bayu is too new to judge: at cost, no IRR shown, on *watch* only because one top-ten customer left after the change of ownership. The vehicle view then adds fees and uncalled commitment and shows DPI, TVPI and net IRR per vehicle; the Command Center shows the same for the family as a whole.

11.6 Follow-ons, exits and the hold-or-sell review

- **Follow-on investment** (growth capital, a bolt-on, an equity cure): requested from the holding page with amount and reason; the authority matrix decides who approves (CIO below the threshold, IC with two signatures above it, family council for large tickets). When the approval becomes final, the capital call and investment are posted automatically.
- **Exit** (trade sale, secondary, partial sale, IPO): requested the same way; on approval the distribution is posted and the holding is closed with its exit date. The realised MOIC and IRR stay in the record for the look-back.
- **Annual hold-or-sell review**: for every holding, answer the five questions in Worksheet 14. "Hold" is a decision with a date, not the absence of one.

PRINCIPAL'S VIEW

Three numbers per holding, every quarter: **what we paid** (invested), **what it is worth and why** (the approved mark and its basis), and **what we have actually got back** (DPI). Paper gains are an opinion; distributions are a fact.

WORKSHEET 14

Holding review — quarterly one-pager

Company / vehicle / ownership _____ **EBITDA and cash vs plan** _____

Invested / realised / fair value _____ **Covenant headroom** _____

Mark method and evidence _____ **Watch level and triggers** _____

MOIC / IRR / DPI contribution _____ **Follow-on / exit request pending** _____

Hold or sell (annual)

Is the remaining value creation plan still large?
Forward return from today's value vs hurdle?
Is the market paying well for this kind of company now?
Does the company fit the portfolio and the IPS limits?
Is management ready for a new owner?
Decision (hold until / prepare exit / sell)

Risk & Governance — IPS limits, risk register, watch list, authority and the valuation cycle

Governance is not paperwork added after the decision; it is the set of rules that decide who may decide what, how much risk the family will carry, and how honestly the results are measured. Module 09 makes those rules executable: every deal is tested against the Investment Policy before the IC votes, every approval follows the authority matrix, every quarterly valuation is reviewed by someone who did not prepare it — and all of it is recorded.

12.1 The Investment Policy Statement limits

The IPS (Chapter 1 and the *PE Guide*) sets the family's private equity allocation and five limits. DEALFORGE measures them continuously against the **exposure** — holdings at cost plus IC-approved deals not yet closed — and warns at 90% of a maximum (or 115% of a minimum).

Limit	Measured as	Sample policy	Why it exists
Single investment	Largest holding at cost ÷ allocation	≤ 20%	One failure must not break the family
Sector	Largest sector ÷ allocation	≤ 40%	A sector downturn hits several holdings at once
Vintage	Largest investment year ÷ allocation	≤ 50%	Pacing across cycles
Leverage	Net debt ÷ EBITDA across holdings (weighted)	≤ 3.0×	Refinancing and covenant risk of the whole portfolio
Liquidity reserve	Unused allocation ÷ allocation	≥ 15%	Follow-ons, earn-outs, covenant cures

Pro forma test. For every deal from valuation onwards, the IC page shows each limit *before* and *after* the deal closes at its equity cheque. In the sample data, PT Arunika Logistik at Rp 550 bn would take the logistics sector to 46% of the allocation — a breach. The IC can still approve the deal, but the deal is held at the IC stage until the family council approves a **limit exception** with a written reason (syndicating part of the ticket, a timetable to come back inside the limit). Changing a limit itself is an **IPS change**, proposed by the CIO and approved by the council.

12.2 The risk register and heat map

One register for the firm, every holding and every live deal. Each risk has a scope, a category, an owner, a review date, a likelihood (1–5), an impact (1–5) and a mitigation. Likelihood × impact ≥ 15 is high, 8–14 medium, below 8 low; the heat map shows where the open risks cluster.

Scope	Typical entries	How they get in
Firm	Concentration, currency, key person, cyber, reputation, regulation	Entered at the annual strategy review; owned by the CIO or a council member
Portfolio	Covenant headroom, customer loss, management, supply, ESG incidents	Carried over from accepted DD findings at closing (score ≥ 8); added by board representatives; early-warning triggers
Deal	Open deal-breakers and negotiation items during a live process	Mirrors the DD register (Chapter 6) for items that need a named owner outside the deal team

The register is reviewed monthly by the CIO (open high risks), quarterly by the IC (all open risks and the heat map) and annually by the family council (firm-level risks and the limits).

12.3 Watch list and the response ladder

Early warning is systematic, not anecdotal. Each holding's KPIs and covenants (Chapter 9) feed a trigger score; the score suggests a rung on the ladder, and the board representative sets the actual level with a note. A holding whose suggested level is above its actual level is flagged on the Command Center until someone decides.

Triggers and points

- KPI behind plan — 1 point each
- Covenant headroom below 15% — 1 point each
- Covenant breached — 3 points
- Fair value below 0.8× cost — 1 point

Ladder

1. **Normal** (0) — monthly reporting pack
2. **Watch** (1–2) — deeper monthly review with the CEO
3. **Action plan** (3–4) — board-approved recovery plan, weekly cash forecast
4. **Intervention** (5–6) — operating partner on site, management change, lender dialogue
5. **Restructuring** (7+) — capital injection, refinancing, sale or controlled wind-down

12.4 Delegation of authority — who approves what

Decision	Approver by amount (Rp bn, sample thresholds)	How it is recorded
Indicative offer / LOI	CIO or Principal; other roles request it	Request on the deal page; due diligence cannot start before approval (Gate 3)
Final investment decision	Investment Committee vote	IC decision record (Chapter 7)
IPS limit exception	Family council	Request on the deal page; unlocks the SPA stage
Follow-on investment	CIO < 25 · IC 25–150 (two signatures) · Council ≥ 150	Request on the holding page; posts the cash flows when final
Exit / sale of a holding	IC (two signatures) · Council ≥ 500	Request on the holding page; posts the distribution and closes the holding

Decision	Approver by amount (Rp bn, sample thresholds)	How it is recorded
Change to the IPS or allocation	Family council	Proposed from the limits page; applied when approved
Quarterly fair value	CIO-level reviewer, never the preparer	Valuation cycle (12.5)

FOUR-EYES RULES

- Nobody signs off their own request.
- IC-level approvals need two different people with IC authority.
- The system administrator runs the system and holds no investment authority.
- Every request, signature, rejection and effect is in the audit log with its timestamp.

12.5 The quarterly valuation cycle

Week	Step	Who	Output
1–2	Collect	Portfolio companies send the quarter's management accounts and KPIs	KPI and covenant update per holding (Chapter 9)
3	Prepare	Analyst prepares each mark with method, inputs and evidence; saves as draft, submits	Marks "awaiting review"
4	Review	CIO or independent member approves or returns with a note	Approved marks; NAV, TVPI, DPI, IRR refresh
5	Report	Finance assembles the quarterly report; IC reviews risks and watch list	Quarterly portfolio report (12.6) to the family council and co-investors
Annual	Independent check	Auditor or valuation committee reviews the year's marks	Letter to the family council

12.6 The quarterly report

One document, printed from DEALFORGE (with a CSV of the holdings for the family's own tools), in a fixed order so that quarters can be compared:

1. **Performance per vehicle** — commitment, paid-in, distributions, NAV, DPI, TVPI, net IRR; totals for the family.
2. **Holdings and fair values** — ownership, invested, realised, fair value with method and quarter, MOIC, IRR, watch level; how many marks were approved this quarter.
3. **Capital flows this quarter** — every call, investment, distribution and fee.
4. **IPS limit status** — each limit, its current value and driver.
5. **Key risks** — the five highest open risks with mitigation and owner.

If third-party capital is ever raised, the ILPA reporting template is the reference; the report above already contains its core.

PRINCIPAL'S VIEW

Governance earns its keep on the bad day: when a deal breaches a limit and everyone wants it anyway, when a holding slips and nobody wants to be the one to escalate, when a mark should come down. Decide the rules while the sun is shining and let the system hold the line.

WORKSHEET 15

Quarterly governance pack — checklist

- [ ] All holdings' KPIs and covenants updated for the quarter
- [ ] Every holding has a mark prepared with written evidence
- [ ] Every mark reviewed by someone other than its preparer
- [ ] Watch levels confirmed where the system suggests escalation
- [ ] High risks reviewed; owners and review dates current
- [ ] IPS limits all within policy, or exceptions approved and dated
- [ ] Pending approvals cleared or formally deferred
- [ ] Capital ledger reconciled to bank statements
- [ ] Quarterly report issued to the family council; CSV archived
- [ ] Minutes record decisions, owners and dates

Quarter / prepared by / reviewed by _____

PART E · CHAPTER 13

Gate checklists

Use one checklist at each gate. If an item cannot be ticked, the gate is not passed — or the IC records why it accepts the gap.

GATE 1 · SIGN NDA?

- [ ] Mandate fit ≥ 80 (or deal lead approval)
- [ ] Seller's reason for sale understood
- [ ] No teaser red flag that is a known deal-breaker
- [ ] NDA terms checked (scope, term, non-solicit)

GATE 2 · INVEST ANALYSIS TIME?

- [ ] IM reviewed; ten IM questions answered or listed
- [ ] Management met at least once
- [ ] High-level valuation inside the ticket range
- [ ] Written thesis with top 3 doubts

GATE 3 · SIGN LOI?

- [ ] Normalised EBITDA and net debt estimated
- [ ] DCF, comps and precedents; three scenarios
- [ ] Offer range and walk-away approved by principal (LOI sign-off recorded in 09)
- [ ] Deal linked to a sector thesis in 07
- [ ] Exclusivity, access and cost terms agreed
- [ ] DD scope, advisors and budget approved

GATE 4 · DD ACCEPTABLE?

- [ ] All workstreams reported; documents outstanding listed
- [ ] Each deal-breaker candidate has a resolution
- [ ] Price bridge from LOI to recommendation
- [ ] SPA protection list (CPs, indemnities, escrow)

GATE 5 · IC APPROVAL

- [ ] Memo and named model version sent 3 days before
- [ ] Investment score and recommendation
- [ ] Conflicts declared; votes and notes recorded
- [ ] Conditions, price authority and walk-away locked
- [ ] IPS policy check pro forma: within limits, or family-council exception approved

GATE 6 · SIGN SPA?

- [ ] Price within IC authority
- [ ] All IC conditions reflected as CPs or SPA terms
- [ ] Disclosure letter reviewed against DD
- [ ] Financing committed; approvals mapped with dates
- [ ] Bahasa Indonesia version agreed

GATE 7 · CLOSE?

- [ ] All CPs satisfied or waived in writing
- [ ] Completion accounts or leakage confirmed
- [ ] Funds flow signed; escrow in place
- [ ] Day-1 readiness checklist complete
- [ ] AHU, OSS and KPPU filings scheduled
- [ ] Integration lead and 100-day plan approved

GATE 8 · HAND-OVER TO OWNERSHIP (CLOSING + 30 DAYS)

- [ ] Holding created; capital call and investment posted to the right vehicle
- [ ] Transaction costs booked as fees, not investment
- [ ] Accepted DD findings now in the portfolio risk register with owners
- [ ] Board, reserved matters and reporting pack in place
- [ ] First-quarter mark planned (at cost unless new evidence)

GATE 9 · QUARTERLY OWNERSHIP GATE (EVERY HOLDING)

- [ ] KPIs and covenants updated; triggers reviewed
- [ ] Mark prepared with evidence and approved by a second person
- [ ] Watch level confirmed or escalated with a note
- [ ] IPS limits within policy or exception on record
- [ ] Annual: hold-or-sell decision recorded (Worksheet 14)

PART E · CHAPTER 14

Indonesia regulatory quick reference

For orientation only. Rules, thresholds and procedures change and depend on the facts of each deal. Always confirm with Indonesian counsel and tax advisors. Checked against public sources in October 2026.

Area	Main rules	What it means for a deal
Company law	Law 40/2007 on Limited Liability Companies (as amended by Law 6/2023)	GMS approval of share transfers per the articles; pre-emptive rights; for acquisitions changing control: announcement, creditor objection period, ¾ quorum and majority unless the articles say more; notification to MoLHR (AHU)
Competition	Law 5/1999 (Arts. 28–29); GR 57/2010; GR 44/2021; KPPU Reg. 3/2023	Post-closing notification within 30 working days of the legally effective date when combined Indonesian assets > Rp 2.5 tn (banks Rp 20 tn) or sales > Rp 5 tn, including group companies; foreign-to-foreign deals need Indonesian nexus of at least two parties; voluntary written pre-consultation available
Capital markets	POJK 9/2018 (takeovers); OJK disclosure rules	Change of control of a listed company: announcements, mandatory tender offer, re-float above 80%; independent valuation and fairness opinions for some transactions
Foreign investment	Investment Law; Perpres 10/2021 as amended by Perpres 49/2021 (Positive Investment List); OSS risk-based licensing (GR 28/2025, replacing GR 5/2021)	Check foreign ownership limits per KBLI before structuring; PMA status and minimum investment rules for foreign buyers; licences must match activities

Area	Main rules	What it means for a deal
Tax	Income Tax Law; VAT Law; BPHTB (regional tax); PMK 81/2024 as amended	CIT 22%; listed share sales 0.1% final; non-resident sellers of unlisted shares 5% of transfer value unless a treaty applies; asset deals: VAT (12% headline, 11% effective for most items), 2.5% final tax on land and building transfers, BPHTB up to 5%; book-value mergers subject to DGT approval; thin-cap DER 4:1; losses carried forward 5 years
Labour	Law 13/2003 as amended by Law 6/2023; GR 35/2021	Employees keep their rights after a share deal; entitlements arise where employees do not continue after a change of control or merger; fixed-term contract rules; severance and long-service pay provisions
Data protection	Law 27/2022 on Personal Data Protection	Lawful basis for processing; data-processing agreements; notification duties for breaches; consider in data-room sharing and IT integration
Language	Law 24/2009; Perpres 63/2019	Agreements with Indonesian parties in Bahasa Indonesia (bilingual is standard)
Sector regulators	OJK, Bank Indonesia, sector ministries	Prior approval for changes of control in banks, insurers, finance companies, payment providers and other regulated sectors

PART E · CHAPTER 15

Worksheets

Worksheets 1–7 and 13–15 appear in their chapters. Worksheets 8–12 are below. Copy them, or use the matching screens in DEALFORGE.

#	Worksheet	Where
1	Deal screening card	Chapter 4 · DEALFORGE: New deal / mandate check
2	Valuation summary for the IC	Chapter 5 · DEALFORGE: Valuation
3	Risk register	Chapter 6 · DEALFORGE: 03 Due diligence (carried into 09 Risk & Governance at closing)
4	IC decision record	Chapter 7 · DEALFORGE: IC decision
5	Conditions precedent tracker	Chapter 8 · DEALFORGE: Transaction
6	100-day plan	Chapter 9 · DEALFORGE: 05 Integration
7	Post-deal look-back	Chapter 10
8	Investment mandate card	Below
9	Synergy plan	Below
10	DD key questions plan	Below
11	SPA key terms sheet	Below
12	Day-1 communication plan	Below
13	Sector thesis and research log	Chapter 3 · DEALFORGE: 07 Research
14	Holding review — quarterly one-pager and hold-or-sell	Chapter 11 · DEALFORGE: 08 Holdings
15	Quarterly governance pack checklist	Chapter 12 · DEALFORGE: 09 Valuation & reporting

WORKSHEET 8

Investment mandate card

Sectors _____ **Hurdle IRR** _____

Regions _____ **Control preference** _____

Ticket min – max (Rp bn) _____ **Holding period / exit** _____

Min EBITDA margin _____ **Annual budget (Rp bn)** _____

Max net debt / EBITDA _____ **Concentration limits** _____

Exclusions _____

Approved by _____ **Date** _____ **Next review** _____

WORKSHEET 9

Synergy plan

Synergy line	Type	Run-rate / yr	One-off cost	Start	Owner	Confidence
Total / NPV of synergies				k (share given to seller): _____		

WORKSHEET 10

DD key questions plan

#	Key question (from thesis / model)	Workstream	Owner	Due	Answer status
1					
2					
3					
4					
5					
6					

WORKSHEET 11

SPA key terms sheet

Structure / stake _____ **Basket / de minimis** _____

Price mechanism _____ **Cap (general / title & tax)** _____

EV / equity price _____ **Survival periods** _____

NWC peg _____ **Specific indemnities** _____

Deposit / escrow / earn-out _____ **Non-compete (years)** _____

Long-stop date _____ **Law / dispute forum** _____

WORKSHEET 12

Day-1 communication plan

Audience	Key message	Channel	Who	When
All employees				
Management team				
Top 20 customers				
Key suppliers				
Banks				
Regulators / officials				
Media (if any)				

PART E · CHAPTER 16

Glossary

AHU	Legal entity administration system of the Ministry of Law (MoLHR) — approvals and notifications of company changes
BPHTB	Land and building rights acquisition duty, payable by the buyer of land or buildings
CP	Condition precedent — must be satisfied (or waived) before closing
Carry	Share of profit above the hurdle paid to the team or partners (carried interest)
DCF	Discounted cash flow valuation
DPI / RVPI / TVPI	Distributions, remaining value and total value as multiples of paid-in capital
EBITDA (normalised)	Earnings before interest, tax, depreciation and amortisation, adjusted for non-recurring and non-market items
Earn-out	Part of the price paid later only if agreed targets are met
Fair value / mark	Quarterly estimate of what a holding is worth, prepared with evidence and approved by a second person (IPEV)
Hurdle	Preferred return investors receive before any carry is paid
IPS	Investment Policy Statement — the written allocation, limits and governance
Kill criteria	Facts written in a thesis that would make the family stop pursuing a deal
MOIC	Multiple of invested capital: (realised + unrealised) ÷ invested
Pro forma (limits)	The IPS limits recalculated as if a proposed deal had closed
Escrow / holdback	Part of the price held back as security for warranties and indemnities
EV	Enterprise value — value of the operating business before net debt
GMS (RUPS)	General meeting of shareholders
IC	Investment Committee
IM	Information memorandum prepared by the seller or its advisor

IRR / MOIC	Internal rate of return / multiple on invested capital
KBLI	Indonesian standard business classification code; licences and foreign-ownership limits follow it
KPPU	Indonesian Competition Commission
LOI	Letter of intent — non-binding offer with binding exclusivity and confidentiality
Locked box	Price mechanism fixed on a past balance sheet with protection against leakage
MAC	Material adverse change
NWC peg	Normal level of working capital agreed in the price
OSS / NIB	Online single submission licensing system / business identification number
PMA	Foreign investment company
PMI	Post-merger (post-acquisition) integration
SPA	Share purchase agreement
Walk-away price	The maximum EV approved by the IC: standalone value plus the agreed share of synergies
Vehicle	Holding company, SPV, co-investment SPV or fund through which the family holds an investment
WACC	Weighted average cost of capital
Watch list	Holdings needing attention, with a response ladder from watch to restructuring

Sources consulted (October–November 2026)

- DFDL — KPPU merger filing in Indonesia: notification requirements, penalty cases and compliance (updated September 2026), dfdl.com
- Global Law Experts — Indonesia M&A 2026 guide (KPPU Reg. 3/2023, PMK 1/2026), globallawexperts.com
- Deloitte — Indonesia Highlights 2026 (tax rates, VAT, land and building transfer taxes, thin capitalisation, losses, Pillar Two), deloitte.com
- Baker McKenzie, HFW, ABNR — summaries of OJK Regulation 9/POJK.04/2018 on takeovers of public companies
- SSEK, Ashurst, PwC — legal updates on GR 28/2025 on risk-based business licensing (2025)
- Primary legislation as named in Chapter 14 (Company Law, Competition Law, Labour and Job Creation laws, Personal Data Protection Law, Language Law, Positive Investment List)
- Sabana Family — Private Equity Best Practice Guide & Strategic Ideas v1.1 (companion document) on building the investment firm itself
- IPEV Valuation Guidelines and ILPA reporting template — conventions used in Chapters 11 and 12
- Sabana Family Brand & Logo Guide v1.1 — visual identity of this workbook

Important. This workbook is a process guide, not legal, tax or investment advice. Indonesian regulations referenced (company law, competition, capital markets, tax, labour, data protection, investment licensing) change frequently. Confirm every regulatory step with qualified Indonesian counsel and tax advisors for the specific transaction. Figures quoted were checked against public sources in October 2026 — see the sources list at the end.

Worked example figures are produced with the DEALFORGE valuation engine using demo data and are illustrative only.

PART E · CHAPTER 17

Running DEALFORGE with real data

The workbook describes the process; the system enforces it. This chapter is the short operating manual for the people who administer DEALFORGE: where the family's instance runs, how a real installation starts, what the sample data is for, who does what, how releases reach the server, and what must be true before the first real deal is entered.

17.1 The family's instance

Item	Production (as deployed, November 2026)
Address	**https://dealforge.eaglenest.id** — HTTPS only; the sign-in page is the only public page
Sign-in	Email and password issued by the Admin; a temporary password must be changed at first sign-in; ten failed attempts lock the account and address for fifteen minutes
Demo accounts	Not shown on the production sign-in page (`SHOW_DEMO_ACCOUNTS=false`); the sample data set is loaded only if the Admin chooses to
Language	Indonesian by default; *ID / EN* in the sidebar switches the whole application, including stored bilingual content
Hosting	Docker Compose: the application container and a MySQL container on a private network; documents in the `uploads` volume, data in `db_data`
Start-up	On every start the container applies pending database migrations, baselines a legacy database automatically if it finds one, then runs the bootstrap (mandate, IPS limits, authority matrix, first Admin if none)
Source	GitHub repository `ridhasabana/dealforge`, branch `main`; changes arrive through pull requests

17.2 Sample data and real data

A new installation can load a **sample set** — eleven fictional companies, eight deals, three holdings, two vehicles, four theses, market data and six demo accounts — so the team can walk through every chapter of this workbook on screen. Every sample record is labelled SAMPLE in the application, and administrators see a notice on the Command Center while it is loaded. The set is removed in one step (*Admin & mandate → Remove sample data*); real records, settings and real users are never touched by loading or removing it. Demo accounts whose password has been changed are treated as real users and kept.

17.3 First day of a real installation

#	Step	Where / who
1	Install and bootstrap	`npm run setup` applies the database migrations and creates the mandate, the default IPS limits, the authority matrix and the first Admin account (temporary password printed once; must be changed at first sign-in)
2	Mandate and allocation	Admin → *Admin & mandate*: sectors, regions, ticket range, hurdle, acquisition budget and the private equity allocation that the IPS limits are measured against
3	Limits and authority	09 → *IPS limits* and *Approvals & authority*: confirm the five limits and the thresholds; changes go through family-council approval
4	People	Admin → *Users*: one account per person with the right role — Principal/CIO, Analyst, DD Lead, IC member, Family council. Hide the demo panel on the sign-in page (`SHOW_DEMO_ACCOUNTS=false`)
5	Vehicles	08 → *Fund overview*: create the family holding company (first) and any SPVs; the first holding-company vehicle receives closings
6	Research and market data	07: the first theses; 01 → *Sourcing & market*: sector data, precedents, signals and watchlist targets
7	Existing holdings	Record companies the family already owns as holdings with their vehicle, acquisition date, cost (capital call + investment on the original dates), KPIs and covenants; prepare and approve a first mark
8	Remove the sample set	Once the team no longer needs it — or before step 7 if real and sample data should never coexist
9	Operations	HTTPS in front of the application; scheduled backup (`npm run db:backup`: database dump plus uploaded documents); the AI key if the AI features are wanted

17.4 Roles and what they may do

Role	May	May not
Admin	Manage users, mandate, allocation, sample data; read everything; audit log	Approve anything in the authority matrix (no investment authority)
Principal / CIO	Everything an analyst may, plus: approve LOIs, lock IC decisions, review marks, sign IC-level approvals, propose IPS changes, create vehicles	Approve a limit exception or an IPS change (council only); approve their own request
Analyst / Deal lead	Deals, valuation, DD review, research, market data, risks, marks (prepare), requests	Approve requests; review their own marks
DD Lead	Data room, AI review, accept or reject findings; research and risks	Change deal terms or valuation
IC member	Vote; sign IC-level approvals; review marks	Edit deals
Family council	Approve limit exceptions, IPS changes, large follow-ons and exits; review marks	Edit deals

17.5 Releases and database changes

Situation	What to do
New version of the application	On the server: `git pull && docker compose up -d --build`. The container applies any new migrations, runs the bootstrap and starts; data is never dropped by an upgrade
A change to the database schema (developer)	Edit `schema.prisma`, run `npx prisma migrate dev --name <change>` on the development machine, commit the new folder under `prisma/migrations/`, open a pull request. Never use `prisma db push` against a shared database — the change would be invisible to the migration history
A database created before migrations existed	Nothing manual: the start-up script detects it (error P3005), marks the matching migrations as applied and continues. For a local copy: `npx prisma migrate resolve --applied 20251029120000_init` then `npx prisma migrate deploy`
Before any upgrade	`npm run db:backup` (or the scheduled job) — database dump plus the uploads folder, kept off the server
Checking the system is up	`/api/health` answers with the database status; the Compose health check restarts the container if it stops answering

Migration history as rebuilt in the November 2026 release: `20251029120000_init` (the original six deal modules), `20251030000000_operating_system` (research, portfolio, governance, the Family Council role) and `20261030120000_sample_flag` (removable sample data).

17.6 What the system will not let you skip

- Due diligence cannot start without an approved LOI (Gate 3).
- No deal moves to SPA, closing or integration without an IC approval (Gate 5), and an approval that breaches an IPS limit waits for the council's exception.
- No investment or distribution appears in the ledger without an approval or a closing behind it.
- No mark counts towards NAV, TVPI or IRR until a second person has approved it.
- Nobody approves their own request; the audit log keeps every decision and who made it.

Full technical documentation — installation, Docker deployment, migrations, backups and the test suites — is in the repository README.

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