



Cedric Penix
Managing Director
CAPITAL SOLUTIONS

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Cedric J. Penix, MBA, is a Senior Advisor at EMAGroup. He has over 30 years of experience in finance, accounting, acquisitions, consulting and private equity.

Cedric leads EMAGroup's Capital Solutions practice which focuses on helping companies through the refinancing process. EMAGroup's clients' needs range from requiring a simple refinancing to increasing liquidity availability and flexibility to more complicated financings that are part of a comprehensive restructuring and realignment of capital structure. Additionally, the restructuring process can often result in the sale or change of equity control. Cedric works with clients to optimize structuring and value.

Throughout his career, Cedric has assisted companies in transition whether as part of a capital raise, debt restructuring, sale transaction, or comprehensive strategic repositioning process. His experience includes working with stable businesses seeking out new initiatives, high-growth companies with working capital management issues, and distressed company situations involving business restructuring and turnaround initiatives. Cedric has extensive experience in business analytics critical to evaluating root-cause issues, and in advising C-level executives on strategic and operational change-management measures. His client support includes providing guidance and hands-on assistance in implementation of key operating initiatives.

Prior to joining EMAGroup as a senior advisor, Cedric was a Managing Director at Caymus Capital Group, LLC, and Executive Vice President/Partner at Fulcrum Capital Group, LLC, both private equity enterprises. As a private equity partner-in-charge of monitoring investments, he has been involved in interim C-Level advisory roles to assess operations and financial performance, managing senior and mezzanine lender relationships, business process restructuring, and preparation of companies for capital raise or sale process.

Cedric's experience also includes business value-driver analysis, capital sourcing of mezzanine, equity and debt, pre-investment due diligence and diligence support, investment structuring/restructuring, and post-acquisition integration/implementation management.

Early in his career, Cedric was a Manager with PricewaterhouseCoopers' Financial Advisory Services group, providing clients services including quality of earnings assessments, collateral base reviews, acquisition due diligence reviews, bankruptcy support, sell-side support, and occasionally, forensic accounting reviews. He also served as a senior auditor for Intermedics, Inc., a medical devices manufacturer, and Arthur Anderson, LLC, where he led and conducted financial audits, internal audits, business process reviews, gross margin/cost of sales analysis, inventory counts and valuations, organization efficiency reviews and other special projects as assigned.

Cedric currently serves as Chairman of the Board for a Los Angeles-based church and Board member for a local soccer league. He earned his MBA in finance and entrepreneurial studies from the UCLA Anderson Graduate School of Management and his BSBA in accounting from the University of Arkansas, Fayetteville.

Company/Debtor Restructurings:

- While partner at Fulcrum Capital Partners, L.P. and Caymus Capital Group, served on investment committee, conducted or participated in pre-investment diligence and monitored portfolio company performance. Shown below are examples of specific experience.
- Served as Interim CFO for the restructuring of a portfolio company in the transportation industry. Negotiated revisions to the secured lending agreement. Analyzed profitability by division. Developed and implemented plan to “shed” unprofitable assets, pay down debt, “right size” the cost structure and focus on profitable business.
- Implemented a route profitability analysis in support of a program to rationalize route planning for a food manufacturer and transportation company.
- In conjunction with insolvency attorneys, developed a Chapter 11 plan of reorganization for a light manufacturer. Representing the “new” equity, presented and defended proposed plan of organization with all stakeholders, including secured creditors, unsecured creditors, mezzanine and other equity investors.
- Conducted analysis to determine best course of action for a “troubled” portfolio company. Analysis included a thorough assessment of options, including assignment for the benefit of creditors, Chapter 11 reorganization and Chapter 7 liquidation.
- Routinely developed, implemented, modified and/or monitored the following “tools” for use by portfolio company management:
 - Management Dashboard Reporting
 - 13-Week Cash Flow Forecasting Processes
 - Rolling Analysis of Collateral
 - Monthly, Quarterly and Annual Financial Reporting Processes
 - Annual Budgeting/Forecasting Processes
 - Performed/led pre-acquisition analysis and due diligence for potential “add-on” acquisitions
 - Routinely interfaced with secured lenders to assure portfolio company compliance with covenants
 - When necessary, took definitive action to correct defaults
 - Routinely assessed portfolio company management for competency, capability and capacity
 - Investor representative to portfolio companies’ Boards of Directors

Lenders & Bank Groups

For a senior secured lender groups regarding their credit customers:

- Assessing historical financial performance; determining and explaining “drivers” of losses.
- Assessing lenders’ collateral and availability under the existing credit facilities. Evaluating, developing, recommending, and/or monitoring a turnaround plan of recovery.
- Developing 13-week cash flow forecasts/rollforward of borrowing base.
- Developing presentation material and facilitating the refinance of the credit.
- Managing due diligence process for potential finance organizations.
For a mezzanine lender regarding their credit customer (in addition to items above):
- Evaluating potential options for “exit.”
- Review and evaluate the lender’s rights for collection, collateral and information under the credit agreement.
- Assess company’s growth/turnaround plans and determine range of additional capital required.
- Evaluate company liquidation options; develop and present liquidation waterfall.

Transaction Advisory Services/Support

Served as a Manager at PricewaterhouseCoopers’ Financial Advisory Services Group. While there, provided multiple services for unique client types, including senior secured lenders, mezzanine lenders and private equity investors. Provided services for over 40 transactions in a three-year period. Shown below are examples of selected transactions:

- For a subordinated debt lender, led the pre-investment due diligence assignment on an acquisition of a \$70M light manufacturer.
- For an equity sponsor, led the pre-investment due diligence assignment on an acquisition of a national consumer retail brand.
- For an asset-based lender, led the pre-funding collateral due diligence on multiple acquisition and re-financing transactions.
- For an equity sponsor, led the pre-funding quality of earnings review of a potential acquisition of a middle market manufacturing concern.

- For a strategic acquirer, led the pre-investment due diligence assignment for their aerospace manufacturing expansion to the U.S. Analyzed potential synergies and assisted management in developing a post-acquisition integration plan. Monitored company performance post-transaction.
- For a strategic seller, led the sale-side advisory and diligence engagements. Prepared the investment memorandum and marketed the transaction to potential buyers. Company was sold in excess of 7x EBITDA.
- For an equity sponsor, led pre-investment analysis and diligence for the acquisition of a division of a large manufacturer. Conducted “stand alone” analysis and associated quality of earnings assessment.