Bearing**A**

REF · VC-PE-PRE-POSITION-2026

SECTOR · VC / PE · PRE-POSITION

Reading the Materials

01 THE MEASUREMENT FRAME

Eight dimensions, six configurations. One readable surface.

Click a cell or column to drop into that configuration's section. Click a dimension row to read it horizontally across the configuration set. The matrix carries condensed read states, it does not assert which cells activate during the hold.

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02

You are reading pitch materials. The question is what they do not read.

You are a mid-market partner deploying $250M–$2B per deal, on a 5–7 year hold, with material LP capital exposed per decision. In front of you sits a complete pack: McKinsey deal-team analytics, Bain commercial diligence, a Big-4 financial diligence pack, a BCG operating thesis. Each is competent. Each reads the deal at the altitude it was built to read, price, volume, margin, comparable, multiple.

That altitude is correct and it is incomplete. The materials price the target against a forward that assumes the operating environment resolves toward its recent mean. The configurations below are the structural compounds that determine whether that assumption holds , and they are already moving, on horizons that land inside your hold, against precedent the corpus has already resolved.

This read does not re-price the deal. It marks, dimension by dimension, where the structural-compound exposure sits relative to what the pack natively reads, so that what you integrate into the IC narrative is the gap, not the restatement. The methodology marks; you reason from the marks.

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02 CAUSE AND IMPACT

The configuration set, transmission paths, deal-economic outcomes.

Configurations activate in sequence and are absorbed within operating elasticity.

Configurations 03 + 04 activate simultaneously into the year-3 refinancing window.

Three configurations escalate simultaneously against the COVID-elevated substrate.

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03 HOLD-HORIZON COMPOSITION

Configurations × decision windows, across the five-year hold.

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04 CONFIGURATION 01 PHM-CMP-0142 · TTF FEEDSTOCK COMPOUND

Feedstock pass-through is the margin question. Whether it holds is path-dependent.

MAGNITUDE

The target carries 64% feedstock-correlated COGS . TTF at €54/MWh in Phase-3 escalation transmits through ethylene, propylene and natural-gas input lines into gross margin. At the upper precedent the corpus has already resolved, the BASF 2021–22 cycle , the EBITDA compression band runs €18–35M , against a deal modeled on mean-reverting feedstock.

TIME AND RECOVERABILITY

The 2021–22 cycle's acute phase ran roughly 18 months; recovery to pre-cycle margins took a further 12+ months, about 30 months peak to baseline. Against the five-year hold, activation in years 1–2 sits inside recovery range; activation in years 3–5 composes directly against the exit narrative .

MAGNITUDE DERIVATION

INPUT COST LINE	% OF COGS	TTF CORRELATION	UPPER-PRECEDENT EBITDA
Ethylene	26%	0.86	€7–13M
Propylene	19%	0.81	€5–9M
Natural gas	14%	0.74	€4–8M
Other feedstock	5%	0.40	€2–5M
Feedstock-correlated	64%	–	€18–35M

RATCHET EFFECTS

The diligence pack hedges input cost symmetrically, but the hedge covers the cost line, not the volume the operator surrenders if it cannot pass the cost through. Share ceded to a lower-cost competitor mid-cycle (8–12%) does not return on resolution. That is the ratchet the symmetric hedge does not reach.

PATH-DEPENDENCE

The operator's Day-1–90 response is the variable that resolves the band. Four paths sit open at the juncture; two historically retain share, one historically cedes it. The IC's operating thesis either builds the curtail/renegotiate capability into the first 90 days or inherits the price-pass path by default.

PATH-DEPENDENCE DECISION TREE

PATH	ACTION	EBITDA BAND
Curtail	Cut volume, hold price discipline. Share retained.	-€8 to -14M
Hold / absorb	Maintain output, absorb compression. Share intact.	-€18 to -26M
Price-pass	Push cost to customers. Historically cedes share.	-€4 to -10M + ratchet
Renegotiate	Reset supplier terms. Partial, time-bound relief.	-€6 to -12M

ASYMMETRIC INFORMATION

The bidder set reads feedstock; at €54/MWh it is already priced in. The asymmetry sits not in the cost but in the operator's pass-through capability , the variable the commercial pack reads thinly and the seller is not pressed on.

OPERATIONAL DEGREES OF FREEDOM

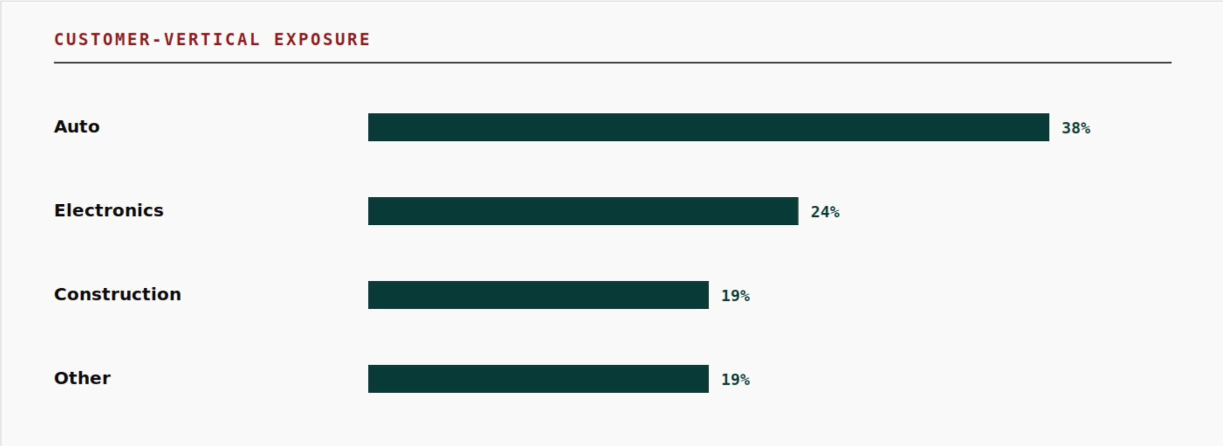
Of the six configurations, this carries the most Day-1–90 buildable response: curtailment discipline, supplier renegotiation, and index-linkage as Day-1 infrastructure . The operating thesis can move against it, which is precisely why the path it takes is load-bearing.

05 CONFIGURATION 02 PHM-CMP-0207 · CUSTOMER-VERTICAL CASCADE

The hedge covers input cost. It does not reach the customer side.

MAGNITUDE

The DG TRADE measures of 14 March 2026 transmit through the target's customer verticals, not its cost base. Demand concentration sits in the top-25 accounts ; the regulatory cascade lands hardest where a single vertical carries both the concentration and the transmission path. Standalone EBITDA exposure is €8–12M , modest alone, material in compound.



TIME AND RECOVERABILITY

Customer requalification runs 18–24 months . A vertical lost to a re-spec does not snap back inside the cycle; the requalification clock, not the regulatory event, sets the recovery trajectory.

RATCHET EFFECTS

Requalification is the ratchet: where a top-25 account re-specs to an alternative supplier under the cascade, the account does not automatically return on resolution. Concentration lost is concentration re-won, not recovered.

PATH-DEPENDENCE

Pass-through versus absorb is a margin choice; the operator's posture on which accounts to defend determines the concentration retained. Defending the heaviest-landing vertical is a different deal from defending breadth.

ASYMMETRIC INFORMATION

Customer requalification risk reads as commercial-diligence colour, not structural exposure, and the record sits with the seller , not the pack. This is the asymmetry the IC can price into the bid.

OPERATIONAL DEGREES OF FREEDOM

Year-1 requalification programmes are buildable: the thesis can defend the top-25 with targeted commercial investment ahead of the cascade's full landing.

06 CONFIGURATION 03 PHM-CMP-0089 · SOVEREIGN-CREDIT CASCADE

The year-3 refinancing window is the path-dependence pivot.

MAGNITUDE

The sovereign-credit threshold sits 3–6 weeks from activation. Transmission runs through bank-credit availability into corporate spread, and the deal's year-3 refinancing window is where it lands. A 150–250bp widening carries roughly €72M of unmodeled interest across the remaining hold, the configuration the bidder set under-prices because spread sits outside the commercial model.

TIME AND RECOVERABILITY

This exposure does not recover. The spread, once set at the year-3 refinancing, holds for the balance of the hold; there is no return-to-baseline trajectory, only the level locked at the window.

RATCHET EFFECTS

The locked spread is the ratchet: it converts a transient credit event into a permanent cost of capital across the remaining hold, compounding every subsequent year's interest line.

PATH-DEPENDENCE

The operator's refinancing posture is a live decision, not a given. Early defensive refinancing pays a certain cost now to remove the exposure; hold-to-plan keeps the cash but carries the full activation-horizon exposure into year 3.

REFINANCING-TIMING POSTURE

POSTURE	CASH IMPACT (NOW)	SPREAD LOCK-IN	HORIZON EXPOSURE
Defensive early refi	-€9–14M	Locked at today's spread	Removed
Term extension	-€3–5M	Partial · 50% hedged	Halved
Hold-to-plan	€0	Open to year-3 spread	~€72M · locked at refi

COMPOUNDING AND SEQUENCING

The exposure does not stand alone. It compounds with Configuration 04 inside the same year-3 window ; simultaneous activation of the two is Scenario B, where deal IRR drops to 8–12%.

OPERATIONAL DEGREES OF FREEDOM

The only live window is the year 2–3 refinancing-timing decision. Outside it, the spread is macro-set, the thesis manages the timing , not the level.

07 CONFIGURATION 04 PHM-CMP-0203 · CAPITAL-FLIGHT PATTERN

Standard recession is modeled. Compound capital flight is not.

MAGNITUDE

The pack models a standard cyclical recession against the target's revenue base. The configuration the corpus reads, capital flight from European demand-side, 3–6 weeks from activation, sits outside that model. The difference is not marginal: a standard cycle compresses revenue 3–5%; the compound capital-flight pattern compresses it 5–8% , translating to €21–29M revenue and €10–14M EBITDA.

TIME AND RECOVERABILITY

The reset runs 24–36 months , and the demand base does not return to the modeled baseline. The recovery the pack assumes is a recovery to a lower level than the one it underwrote.

COMPOUNDING AND SEQUENCING

The configuration is most material in sequence: it compounds with Configuration 03 in the year-3 window, and with Configuration 05's substrate throughout. Simultaneous escalation with 01 against the COVID-elevated base is Scenario C.

ASYMMETRIC INFORMATION

The macro consensus prices a standard cycle; the compound pattern is not in the consensus. But it is not the IC's edge to claim either, it is the IC's exposure to carry, read against precedent rather than asserted as forecast.

OPERATIONAL DEGREES OF FREEDOM

Limited, primarily downside-bounded. The operator has no path against a macro configuration; the thesis can sequence and carry it, but cannot operate it away.

STANDARD CYCLICAL RECESSION MODELED IN T	3–5% · €13–18M rev
COMPOUND CAPITAL FLIGHT READ BY THE CORP	5–8% · €21–29M rev

08 CONFIGURATION 05 CROSS-COMPOUND CANONICAL · IRAN–RUSSIA–TAIWAN

The substrate sustains the other four.

TIME AND RECOVERABILITY

This is substrate, not event. It carries no resolution date the IC can model against, a multi-year structural condition that runs across the full hold rather than a window that opens and closes.

COMPOUNDING AND SEQUENCING

The Iran–Russia–Taiwan integration is not a fifth discrete exposure to be added to the other four. It is the war-economy substrate that keeps Configurations 01 through 04 simultaneously live, the condition under which feedstock stays elevated, regulatory measures stay active, sovereign credit stays at threshold, and capital stays in flight. It is the structural reason the four do not independently resolve toward mean, and it carries +€15–30M of amplification across the set.

ASYMMETRIC INFORMATION

Because it presents as background rather than exposure, it is the configuration the bidder set most reliably under-reads. The asymmetry is structural: the substrate is in plain view and still discounted.

EXIT-NARRATIVE COMPOSITION

The substrate is still active at the modeled year-5 exit. The year-5 buyer inherits it intact, the exit narrative composes against a configuration that has not resolved and is not modeled to.

OPERATIONAL DEGREES OF FREEDOM

None. It is structural, read, carried, and held in view across the full hold, but not operable. The thesis's only move is to price it.

09 CONFIGURATION 06 CALIBRATION ANCHOR 2020 · COVID STRUCTURAL LEGACY

Aggregation is not additive against a reconfigured base.

TIME AND RECOVERABILITY

The acute COVID configuration resolved in 2020, but its residue runs through 2027. The relevant time horizon is not the resolved acute phase, it is the reconfigured industrial base the residue leaves active across the deal's hold.

COMPOUNDING AND SEQUENCING

Aggregation is not additive against that reconfigured base. When Configurations 01 and 04 activate simultaneously, the pack's instinct is to sum them: €45–65M combined EBITDA. Read against the COVID-reconfigured base, the same activation amplifies 15–25% higher , a combined band of €60–95M . This is the primary load-bearing reading of the configuration.

EXIT-NARRATIVE COMPOSITION

2020 is the calibration anchor and the year-5 exit question at once. The buyer's IC will re-read these same aggregates against whatever the base is then, the exit narrative cannot assume the reconfiguration has unwound.

OPERATIONAL DEGREES OF FREEDOM

The live choice is the Day-1 calibration: how the thesis calibrates aggregation against the reconfigured base. Beyond that calibration, the residue is given, not operable.

10 WHAT THIS READ MARKS

Four seams for the IC.

Activation order determines outcome more than activation itself. Configurations 03 and 04 landing simultaneously in the year-3 window is a different deal from the same two landing in sequence, the difference between an 18–22% IRR and an 8–12% one. The pack reads exposures; it does not read their sequencing.

Ceded market share (01), a locked refinancing spread (03), a structurally reset demand base (04): each is a ratchet. The pack prices recoverable volatility; the seams mark where resolution does not return the deal to baseline, the exposures that compound into the year-5 exit narrative.

Customer requalification risk (02) and the substrate's structural persistence (05) are the configurations the seller is positioned to under-disclose and the bidder set most reliably under-reads. The asymmetry is information the IC can price into the bid, the gap between what is in the pack and what is in the record.

At exit, a buyer's IC composes against the configuration set's then-active state. Several configurations, the substrate (05), the COVID-elevated base (06), are still live at the modeled exit. The exit narrative is not a clean resolution story; the seam marks which exposures the year-5 buyer inherits and re-reads.

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11 WHAT REMAINS THE PARTNER'S WORK

The methodology marks. You reason from the marks.

This read does not say buy or pass. The IC integrates commercial, financial, legal and structural-exposure substrates with the partner's view of thesis, partnership economics and LP context.

No probability is asserted on resolution direction. The configurations are read against precedent-grounded scenarios, the partner weighs which scenario their thesis underwrites.

Management quality, operating-model execution, integration risk and cultural fit are complementary inputs the IC narrative composes against, not the structural-exposure validation this read produces.

The methodology marks the seams; it does not close them. The partner reasons from the marks. Artefacts that close loops the partner should reason through are the drift mode this read excludes.

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12 COLOPHON

A Bearing Pre-Position Validation Read.

This artefact is a Bearing Pre-Position Validation Read , the deployed institutional product, composed at IC-pack altitude for a VC/PE investment partner evaluating a modeled €380M mid-market European industrial-chemicals target on a five-year hold. Bearing is the product the institution consumes; BearingA is the company that delivers it; PHM , the predictive-history method, is the underlying method invoked only at methodology-claim altitude.

The eight reasoning dimensions are the analytical spine, ratified against the pre-position-reasoning-dimensions canonical. The six configurations are the substrate the dimensions read against; the four seams compose the page's structural conclusions. Every magnitude band, corpus anchor and configuration state is drawn from the resolved corpus, not asserted.

Cannot-be-wrong is enforced architecturally, not by review: the read marks only what the corpus has resolved.

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SOURCING

Every claim in this read traces to a primary source at the live web read. Sources are dated, versioned, and indexed continuously.

BOUNDARY

Anonymised archetype — no named institution's data enters this composition. The CET1 number is supervisor-prescribed, not a BearingA computation.

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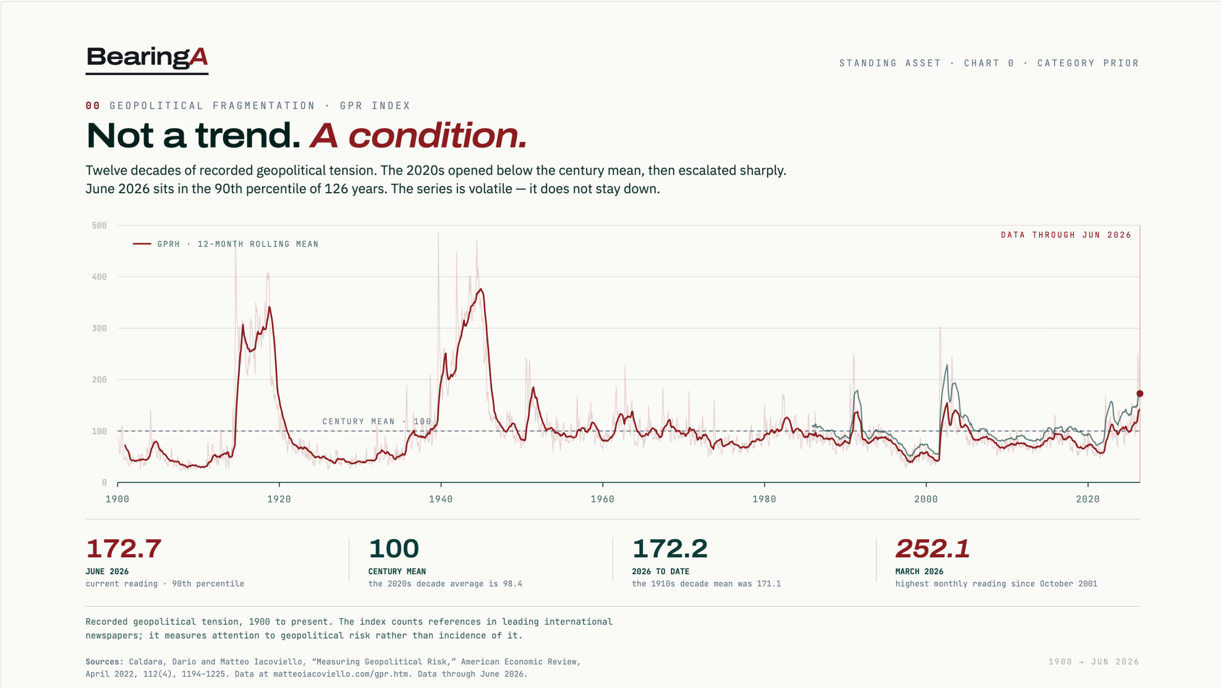
Evidence · Charts and data exhibits

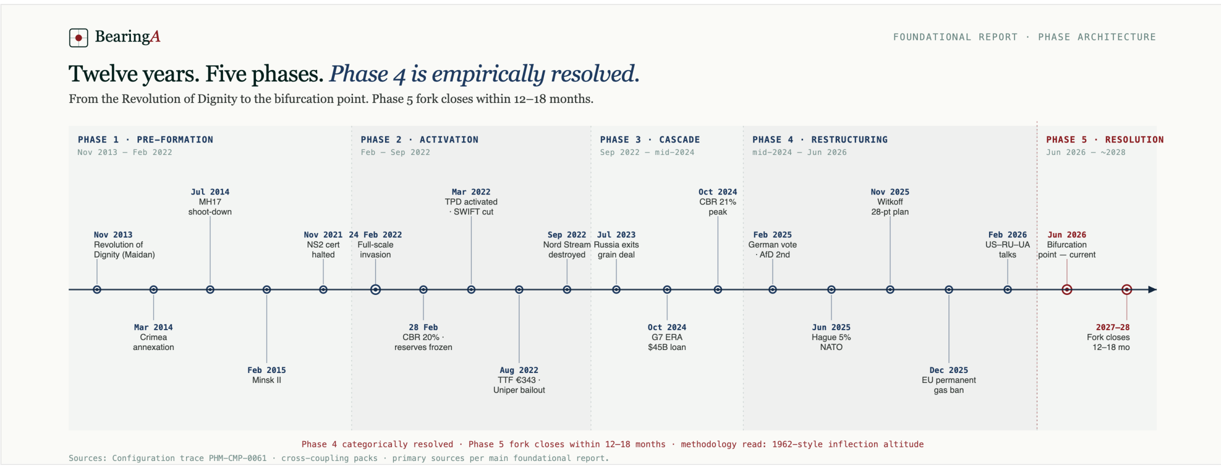
Primary sources cited at the live web read. Every claim in the body text traces to the exhibits below or to a source indexed in the BearingA corpus.

EXHIBIT 01



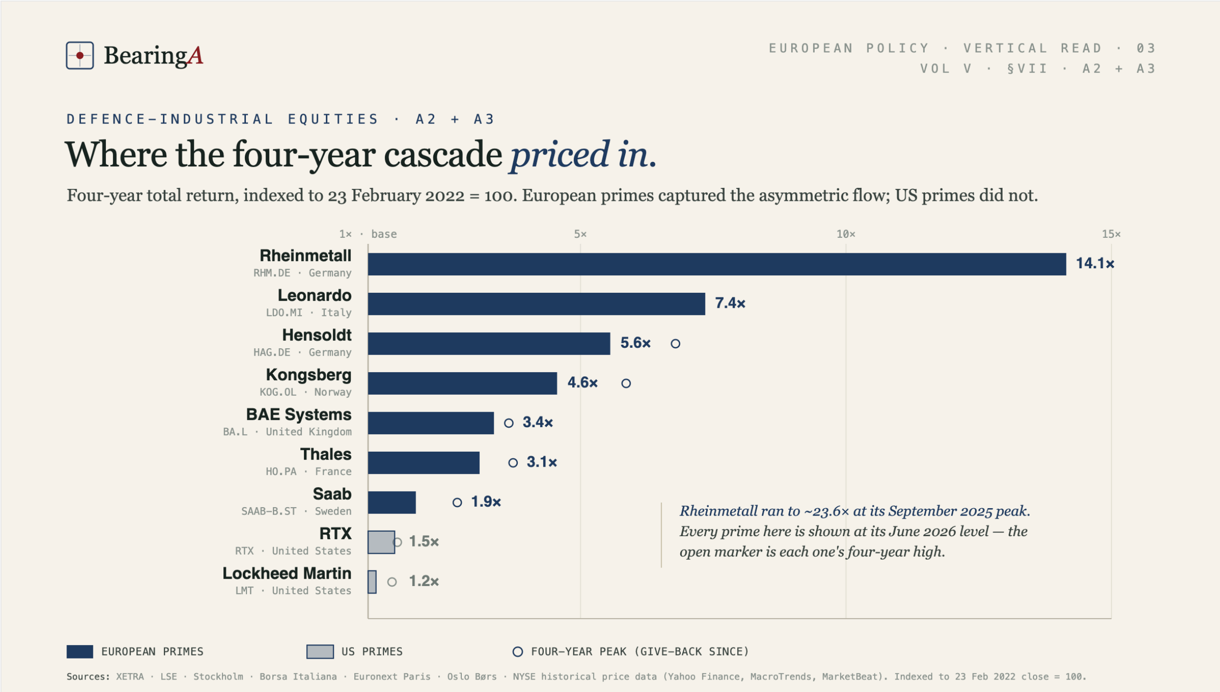
STANDING ASSET · CHART 0 — GEOPOLITICAL FRAGMENTATION, 1900–JUN 2026. 90TH PERCENTILE OF 126 YEARS.

EXHIBIT 02



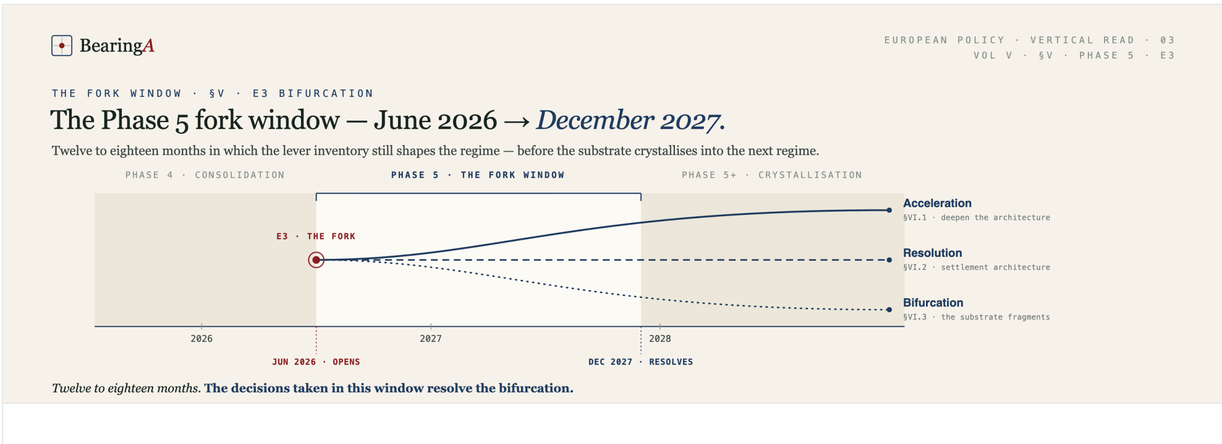
FOUNDATIONAL REPORT · PHASE ARCHITECTURE — TWELVE YEARS. FIVE PHASES. PHASE 5 FORK CLOSES WITHIN 12–18 MONTHS.

EXHIBIT 03



EUROPEAN POLICY · A2 + A3 — WHERE THE FOUR-YEAR CASCADE PRICED IN. INDEXED TO 23 FEB 2022 = 100.

EXHIBIT 04



EUROPEAN POLICY · PHASE 5 — THE FORK WINDOW: JUN 2026 → DEC 2027. THE DECISIONS IN THIS WINDOW RESOLVE THE BIFURCATION.

ABOUT BEARINGA

BearingA

BearingA is a Ukrainian company. Headquartered in Kyiv. Operating across Kyiv and Amsterdam. Building and running the engine continuously since March 2024, through every geopolitical configuration the period has produced.

The compound geopolitical configurations the engine reads for institutional clients are, in Kyiv, operational conditions navigated daily while what reads them is being built. Not encountered first in the corpus. Navigated first. The reads compose with first-hand reference.

We are proud of Ukrainian resistance. Proud of the mental strength of the people building under these conditions. Proud of the depth of analytical talent operating here. This is where BearingA was built and this is where BearingA will remain headquartered.

SPEAK TO BEARINGA

BearingA does not run discovery calls, and does not gate the first conversation behind a form. Reach directly. You will hear back inside a working day.

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THIS READ

WEB	bearinga.com/reads/vc-pe-pre-position
SOURCING	Every claim traces to a primary source at the live web read. Sources are dated, versioned, and indexed continuously from Kyiv since March 2024.
BOUNDARY	Anonymised archetype. No named institution's data enters this composition.