# Accounting & Consulting Firm Web Site Copy:

## Merger and Acquisition Services:

Strategic, Value Increasing, Efficient

The current economic conditions have created challenges in financing new transactions. It is therefore critical that your advisors have the requisite expertise to quickly and thoroughly analyze a target's financial condition to enhance your ability in making difficult decisions. Having a clear and defined M&A strategy greatly increases your odds of executing the right deals. Our services maximize a deal's value while minimizing risk exposures for the stakeholders. Whether you are buying or selling, FIRM offers the clear, unbiased insight needed to make the right deal, time after time.

Our dedicated Mergers and Acquisition Services team creates value by understanding your unique transactional needs. We present information that is relevant to you, not simply confirming already-known facts. We deliver top-tier, quality service, efficiently and effectively throughout the entire transaction cycle—service that goes well beyond traditional due diligence.

### Transactional Due Diligence

FIRM provides both buy-side and sell-side transactional services. Our experienced professionals utilize a comprehensive set of proprietary tools to provide clients with a tailored engagement. Each business attribute is carefully analyzed on both a stand-alone and deal context basis. Our due diligence team's highly disciplined approach identifies unseen opportunities and potential risk exposures, maximizing value for our clients. In addition to traditional financial due diligence, we offer the following due diligence services:

- Information technology
- Human resources and benefits
- Market and competitive industry analysis
- Strategic and operational analysis

#### Buy-Side Due Diligence

FIRM assists in the stringent evaluation of targets by not only presenting information on the target's cashflows and working capital, but also exposing possible risks, unseen costs, and operational weaknesses. Prior to due diligence, many assumptions are made about a target. Financial due diligence on the buy-side provides a comprehensive review of a company's current health, thereby enhancing the purchaser's understanding of the target.

Aspects of buy-side services include the following areas:

- Review of historical financial performance
- Quality of earnings analysis
- Identification of potential tax issues
- Industry analysis
- Validation of sustainable earnings and future cash flows
- Working capital analysis
- Identification of potential hidden liabilities and costs
- Normalization of earnings

FIRM also provides a series of other buy-side services, both before and after the closing. We offer deal structuring and contract assistance, financial and transaction modeling, strategic planning, and assistance in identification of financing sources. Upon consummation of the transaction, FIRM also assists buyers in merger integration, improving financial controls, back office functions, technological infrastructure, value chain operations, and customer management of the newly acquired entity.

**Special Situations in Buy-Side Due Diligence**
Special situation transactions are unique and complex. FIRM's professionals are experienced in working with companies that are in financial distress. We have the requisite knowledge of the bankruptcy process, and recognize the necessity to work with all stakeholders, in a compressed timeframe, to preserve the going-concern value of the Target. Should the need arise, we will collaborate our efforts with our Bankruptcy and Restructuring professionals to ensure that the results and findings we obtain exceed your expectations.

**Sell-Side Preemptive Due Diligence**
Far too often deals are affected adversely by unexpected findings during the due diligence process. Whether these findings result in a purchase price adjustment or a broken deal, many times the negative ramifications can be mitigated by knowing ahead of time what a buyer may find. FIRM's sell-side preemptive due diligence services focus on issues relevant to even the most scrutinizing purchaser. Sell-side due diligence provides an in-depth analysis on the financial condition of the company being sold. It can aid sellers in securing a higher price for their business by adding more control over the sale process and reducing the sale cycle.

**Sell-Side Due Diligence**
Often faced with short sell cycles, sellers frequently overlook the details essential to buyers.

FIRM assists companies on the sell-side to prevent value leak and to stay in control of the sales process. We help sell-side clients determine the true value of their business, assist with purchase agreement structure, address carve-out and transitional concerns, and coordinate data room composition.

**Sell-Side Service Highlights:**

- Analysis of sale alternatives
- Evaluation of potential buyers and bids received
- Financial and transaction modeling
- Strategic alliances analysis
- Assistance with management presentations
- Tax strategy planning

## Select Merger and Acquisition Services Engagements

- FIRM provided buy-side due diligence to a steel processing company. We identified that the Target's prior year's gross margin was exceptionally high; these results were caused by the Target's purchase of inventory prior to an industry-wide increase in raw materials and the sale of the finished product at current market rates. This "artificial boost" in gross margins was a non-recurring event, and we recommended that our client reduce its purchase price considerably.
- Our client engaged us to perform a due diligence review of the target company. As the target's manufacturing facilities were located in China and Korea, we called upon one of our Far East affiliates to assist us in completing the assignment. Our due diligence review raised concerns about the reliability of the Target's financial statements. Specifically, we concluded, among other things, that: the Target could not provide support for a significant portion of its inventory recorded on its balance sheet; inter-company account balances on the books of the Target's parent did not reconcile to its subsidiary's balances; Target's EBITDA was significantly overstated; and Target's CFO was lacking the appropriate skill sets to competently perform his duties. As a result of the identification of these findings, our client was able to successfully renegotiate the purchase price of the Target.