

Transaction Services

1. **Financial Due Diligence** – Our unique due diligence approach stems from Stefano’s direct experience and starts from reported numbers (management accounts and audited financial statements), breaking down the business into its basic building blocks and then rebuilding to remove the noise and allowing the client to focus on the key drivers and using them to connect historical data to projections, identifying and addressing any “hockey stick curves”.
2. **Financial Modeling**
 - **Model Builds** – Our unique *approach* blends a vast experience in understanding different businesses with top notch technical modelling skills. We don’t believe in templates and we use our experience and approach to deliver a bespoke tool, built around the Client’s needs, that answers the strategic questions while maintaining calculations simple, transparent, flexible and accurate.
 - **Model Reviews** – Our tested *process* designed to improve the robustness and reliability of Excel based models and should be seen as part of a wider process by model stakeholders to improve the model’s mathematical accuracy and internal consistency. Upon request, in addition to these steps the engagement may also include commenting on the accounting or tax assumptions of the model and tracing back specific inputs to external documentation. Model audit services are typically mandatory in a project finance context but increasingly used whenever a critical decision is supported by a model.

Further details on our Transaction Services

1. Due Diligence

What we do?	Why we do it?
<ul style="list-style-type: none"> • Trimmed down request list, based on available information • Identification of what drives the financial performance • Understand historical trends of revenues and margins • Quality of Earnings analysis • Review current year trading and projections • Break out working capital days and trends • Analyze cash flows and net debt evolution • We blend the above into a concise 2-3 page summary that tells the Client what he needs to know on the deal • We can also assist in ensuring the SPA captures ‘value’ items in the deal structure (with particular focus on the purchase price mechanism) • We also offer sell side assistance 	<ul style="list-style-type: none"> • Return on your investment • Helps determine if you are really buying what you think you are buying • Provides an assessment of underlying / “normalized” profits and cash flows for valuation purposes • Aims to identify risks and opportunities not reflected in business plans • Equips you with arguments to negotiate the price with the seller/buyer • Gives an indication of the quality of the management team • Supports you in negotiating the SPA and deal terms

2. Financial Modeling

What we do?	Why we do it?
<p>Our Model Build approach</p> <ol style="list-style-type: none"> 1. Clear objectives to make the best use of time 2. Focus on the value drivers that capture key themes 3. Accuracy and easy of use, including accompanying documentation 4. Clear flow of data and smart use of information to avoid getting lost in the details 5. A powerful dashboard answering the key questions; 6. Extensive use of error traps and cross check <p>Our Model Review process</p> <ul style="list-style-type: none"> • In accordance with industry best practice, with the aid of third party software, we analyze the model and then manually review unique formulae (“bottom up”), while also performing a parallel analytical review to sense check the outputs of the model (“top down”). • During the process we issue reports containing items that need to be addressed by the model builder – prioritized in Possible Errors, Outstanding Questions and Required Confirmations – and check that the final version of the model addresses all matters identified. • Upon satisfactory completion of our procedures we issue a negative assurance. 	<p>Model Build</p> <ol style="list-style-type: none"> 1. Make the best use of time and reduce re-workings which is one of the biggest causes of errors 2. We want to make sure the model addresses the questions it was built to answer; 3. Ensure a seamless handover and facilitate changes 4. Avoid getting lost in the details 5. Ease of understanding results and including them in internal reporting (to a team or to the board) 6. Reduce the risk of clerical errors. <p>Model Review</p> <ul style="list-style-type: none"> • Identify errors (all unreviewed spreadsheets contain errors) • Prove the spreadsheet does not work (not to prove that the model works). • Agree inputs and formulae to contractual documentation. • Increase the degree of comfort over model results • Produce formal model review reports to Lenders