



## Due Diligence

(Private Equity Firm)

Performed Due diligence on a logistic software target firm in terms of sustainability based on historic sales and customer analysis

# DUE DILIGENCE FOR A PRIVATE EQUITY FIRM

## ABOUT THE CLIENT

Client is a PE firm based in Australia that primarily invests in software vendors serving enterprise customers

### SITUATION



- The target firm is a **Logistics and Transport management software provider** with over 200 enterprise customers
- Merilytics partnered with the client to perform **due diligence** of the target firm by performing **sales and customer analytics** to assess the health of the business and clientele, and **cash reconciliation** of the financial records to assess the soundness of the investment

### VALUE ADDITION



- Derived **insights on the sales trends** by analyzing sales value and volume by leveraging the invoice data maintained by the target firm
- **Analyzed the revenue trends across the years** by segmenting the customers into recurring and non-recurring portions to provide visibility into the impact of changes in price, volume and addition of new customers
- Performed customer analytics by tracking **acquisition trends** by segmenting new customers into revenue tiers to assess the impact of the recent acquisitions on revenue
- Deep dive into **revenue mix** based on the different subscription modules to highlight the best performing module among the software solutions provided by the target firm
- Reconciled the **credit and debit accounts** in bank statements and invoice of payments from the sales recorded in the accounting software used by the target firm

### IMPACT



- Consolidated the invoice data and customer payment records **provided the visibility** into **sales trends and customer behavior**
- **Enhanced customer conversion and retention** metrics helped the PE firm identify the good performing aspects of the business
- Tracked the health of the target firm in terms of both value and volume to aid in fine tuning **customer service**