



# Financial Due Diligence

**A&M's Asia Financial Due Diligence team within the Transaction Advisory Group provides high quality financial analysis and commercial insights to private equity funds, family offices, corporate and other global clients.**

**Our team consists of only experienced former Big 4 Chartered / Certified Accountants who deliver a tailored and practical approach to due diligence.**

- Unrestricted by audit-based conflicts of interest, we grasp the finer technical points of financial, tax and operational issues as well as the broader strategic and commercial implications, helping mitigate risks, manage tax burden, drive business performance, and ultimately, unlock value.
- Our professionals quickly assess and communicate issues which will have key valuation and transaction considerations to investors and management teams, to directly address issues throughout the deal process. An integrated approach ensures that all teams evaluate the impact of the other teams findings on their work on a seamless and timely basis.
- With senior level professionals involved in every aspect of the transaction, you can expect real-time communication on key deal drivers and an intense focus on the root cause of any critical deal issues.

## **Our approach to financial due diligence include:**

- Analyzing Target's revenue (tailored to business model) and quality of receivables
- Assessing the quality of a Target's earnings including the identification of non-recurring, out-of-period, non-cash, run-rate, pro forma, or other items that could impact EBITDA
- Analyzing the composition of a Target's net working capital & associated trends, including cash conversion cycle
- Forensic approach to quality of revenue and round tripping of cash including reconciliation of VAT returns to revenue, review of goods delivery notes, and vouching cash receipts to correct counterparties (as needed)
- Understanding the composition of a Target's balance sheet, including the quality of its assets as well as potentially hidden / off balance sheet debt-like items
- Assess the quality of financial reporting, controls and systems
- Identifying key business drivers, trends in profitability and associated risks such as adverse developments and concentration issues