

A&M Asia Transaction Advisory Group

Vendor Due Diligence & Vendor Assistance

ALVAREZ & MARSAL





Vendor Due Diligence & Vendor Assistance

We have deep experience in a Vendor Due Diligence (“VDD”) and Vendor Assist (“VA”) services. A&M’s Asia Transaction Advisory team have worked on several sell side transactions, ranging from large cross-border deals to smaller mid-market deals.

Our team consists of only experienced former Big 4 Chartered / Certified Accountants or Certified Tax Advisors.

- Unrestricted by audit-based conflicts of interest, we focus on working in conjunction with your appointed Financial Advisor to ensure the key financial and tax information is aligned between the marketing documents (i.e., investment memo) and the reporting / data produced by A&M.

The benefits of VDD / VA are as follows:

- Emphasize the Company’s strengths and potential upside in order to maximize sales price;
- Improve transparency to potential buyers so that they can plan post transaction assistance;
- More efficient sales process especially if there are multiple bidders;
- Reducing workload / burden on the Company’s internal finance, tax and operational teams;
- Proactively identifying potential issues that a potential buyer would identify during their due diligence and pre-empting this by providing explanation for certain trends / KPIs;
- Leverage from A&M’s many years of buy-side financial and tax due diligence for private equity clients to identify issues / areas that private equity and strategic buyers will focus on;
- Providing confidence in the numbers, which can be leveraged by your Financial Advisor for the IM (particularly if the Company is not Big 4 audited); and
- Ability to put certain emerging market issues (i.e. compliance related) related issues into a “regional context”, particularly if potential buyers are overseas.

We understand what private equity and trade bidders will require from a VDD report or VA because our core practice is to provide buy-side financial, operational and tax due diligence to these organizations.



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Enhance Transaction Value

- More efficient process allows a greater number of bidders / competition.
- Consider potential deal issues from a bidder's perspective and suggest mitigating actions.
- Identify operational improvement initiatives or potential synergies.
- Identify potential tax risks/ inefficiencies, and any opportunities to reduce tax leakages, lower effective tax rate and cash traps
- Value assertions supported by credible and readily available analysis.
- Assistance in structuring tax, financial and other aspects of the deal to make it more attractive to particular buyers.
- Proactively address closing purchase price adjustments.
- Proactive management of transition services, supply agreements, and other separation issues




Maintain Control Over the Process, Avoid Surprises and Minimize Timeline

- Experienced sell side support allows management to be as prepared as possible for a sale.
- Detailed analysis of financial and tax records can highlight potential buyers' issues up-front to avoid becoming 'reactive' during the buyer's due diligence process.
- Preparation of robust information and credible support that is formatted for buyer analysis vs. internal reporting.
- Adequate time to plan and ensure the data room includes relevant, accurate and concise information.
- Deliver information to buyers in a controlled way.
- Address buyers' concerns effectively and early.



Mitigate Operational Disruption

- More efficient process ensures that management has time to run and maintain the value of the business being sold.
- Equipping the team with the knowledge to execute and close the transaction.
- Avoiding onerous information requirements.
- Assistance in structuring the data room.

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