

# Business Valuation

## BUSINESS SITUATION

- Supported a Middle East headquartered IB firm in valuing the pipe business of a Hong Kong based global conglomerate
- The project involved doing a merger analysis of the two entities followed by valuation across various methodologies



## SGA support

- ✓ Understood the business structure of the two entities from the management to model the business
- ✓ Forecasted a 5-year semi-annual model with separate financial statements for each of the two entities and subsequently merged the financials to form a merger model
- ✓ Calculated the synergies and impact on the capital structure of the merger entity
- ✓ Analyzed sensitivities on the accretion and dilution versus the premium paid
- ✓ The model involved building out revenue, loan, balance sheet and fixed asset assumptions and schedules to project the financial statements followed by a DCF analysis
- ✓ Market based approach included company comparables and precedent transactions
- ✓ The output involved building different scenarios (base, bear, bull), sensitivity analysis, football field analysis and key ratios