



Savvy firms are embracing new strategies, focusing on creating value, and changing their approaches to deal structures and company management.

While financing for new transactions in the current market remains challenging, a comprehensive understanding of the target financials coupled with the ability to identify opportunities for operational improvement will provide a competitive advantage for private equity funds seeking successful investments. In this environment, savvy firms are embracing new strategies, applying a heightened focus on creating value and, in some cases, changing their approaches to deal structures and managing the companies they own.

ALVAREZ & MARSAL'S INTEGRATED DUE DILIGENCE APPROACH

Alvarez & Marsal's distinctive, integrated approach to due diligence combines Big Four-quality financial accounting and tax due diligence with the firm's world-class operational expertise. As the leading independent global professional services firm, Alvarez & Marsal is privately held, owner-operated, and does not provide audit services, so clients can be assured that they will not encounter time-consuming and costly conflicts of interest. Our diligence teams work cohesively to provide fully-integrated financial, operational and tax services, enabling you to quickly achieve your investment objectives and realize efficiencies from consolidating your service providers under one umbrella.

Financial Accounting Due Diligence

Our team is comprised of experienced former Big Four CPA financial accounting due diligence professionals, who analyze quality of earnings and working capital requirements through financial statements, independent auditor work papers and on-site discussions with executive management. Our focused and tailored approach enables us to rapidly identify and understand potential deal breakers, value drivers and other areas of specific interest to our clients.

Our professionals actively engage in the following activities:

- Assess the target's quality of earnings, including the identification of overly aggressive accounting policies and the assessment of the adequacy of judgmental accounts, as well as GAAP accounting and SEC reporting compliance
- Analyze cash flows (e.g., working capital changes, capital expenditures, etc.)
- Review on and off balance sheet assets and liabilities
- Identify key business drivers, trends in profitability and significant concentrations of risk
- Evaluate management's forecast
- Conduct comprehensive discussions with management and their advisors
- Perform both buy-side and sell-side due diligence

Operational Due Diligence

Our operational due diligence specialists are seasoned industry professionals, who have hands-on, real-world experience improving operations. We analyze functional and departmental processes, including compensation and benefits, supply chain and distribution channels, core operations, information technology, and back-office operations such as finance, accounting, and human resources. From our thorough fact-based analysis, we identify and quantify potential EBITDA adjustments and working capital risks and opportunities.

We leverage our unmatched stable of executive talent to:

- Focus our integrated diligence efforts in key risk areas
- Assist our clients in identifying opportunities to reduce costs and increase efficiency
- Support post-acquisition planning, integration, implementation and execution
- Assist management in achieving financial and operational goals through coaching or assuming interim management positions, when required

Tax Due Diligence

Our tax due diligence professionals provide a wealth of transaction tax experience. We analyze historical tax returns and financial statements to identify tax risks and opportunities associated with a contemplated transaction. Our professionals work closely with clients and their legal advisors to develop tax efficient deal structures.

Our professionals:

- Perform merger/acquisition or business reorganization tax diligence
- Identify potential tax refund and accounting method opportunities and risks
- Assist in structuring transactions in a tax-efficient manner
- Integrate and optimize tax department processes and technologies
- Assume interim management positions, when required, and provide support / compliance for tax needs

COMPLEMENTARY A&M SERVICES

- Business Consulting
- Corporate Finance
- Dispute Analysis & Forensics
- Real Estate Advisory
- Risk Management Advisory
- Turnaround and Restructuring

THE A&M DIFFERENCE

Capability	A&M	Big Four
Dedicated Team Delivers Integrated Client Service	✓	Limited
Global Capabilities	✓	✓
Free of Audit-Based Conflicts	✓	–
Pricing Flexibility	✓	–
Financial Accounting Due Diligence	✓	✓
Operational Due Diligence and Integration	✓	Limited
Tax Due Diligence and Advisory	✓	✓
Hands-on Management Expertise	✓	–
Business Planning and Strategy	✓	Limited
Real Estate Advisory	✓	Limited
Operational Assessment and Improvement	✓	Limited
Supply Chain Services	✓	Limited
Shared Services	✓	Limited
Human Resource Advisory	✓	Limited
Proprietary Deal Flow	✓	–
Capital Raising and Positioning	✓	–
Turnaround and Restructuring Advisory	✓	Limited
Interim Senior Management	✓	–
Dispute Analysis and Forensics	✓	✓

CONTACT US

Nick Alvarez

Managing Director
(646) 495-3550
nalvarez@alvarezandmarsal.com

Paul Aversano

Managing Director
(212) 328-8709
paversano@alvarezandmarsal.com

Daniel Galante

Managing Director
(312) 288-4080
dgalante@alvarezandmarsal.com

Jack McCarthy

Managing Director
(212) 328-8686
jmccarthy@alvarezandmarsal.com

Kent Willetts

Managing Director
(312) 601-4250
kwilletts@alvarezandmarsal.com

ABOUT ALVAREZ & MARSAL

For 25 years, Alvarez & Marsal has set the standard for working with organizations to solve complex problems, boost performance and maximize value for stakeholders.

Alvarez & Marsal's Transaction Advisory Group works with private equity firms, hedge funds and corporate acquirers to identify and maximize value at every point in the transaction lifecycle. Services include: Financial Accounting Due Diligence; Operational Due Diligence; Tax Due Diligence; Risk Management Advisory and other related services.

To learn more, visit
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