



CONSULTING
HAUS

TIME TO OPTIMIZE YOUR BUSINESS?

JANUARY 2023

CONSULTING HAUS

2022 AT A GLANCE

7 **M&A**
Appointed sell/buy side advisors on 7 M&A engagements

19 **FEASIBILITY STUDIES**
Completed 10 bankable financial feasibilities and 9 standard feasibilities

17 **VALUATIONS**
Completed 10 valuations relating to capital market transactions and 7 for other purposes

2 **LISTING ADVISORS**
Appointed listing advisors for 2 entities seeking to list on QEVM

10 **STRATEGY**
Appointed strategy advisors for 10 clients spanning 5 sectors including 3 listed entities

38 **BUSINESS PLAN / FINANCIAL MODELING**
Completed 38 business plans and financial models or clients operating in various sectors

6 **CORPORATE GOVERNANCE**
Developed corporate governance frameworks for 6 large local entities

6 **LISTING READINESS ASSESSMENT**
Completed 6 listing readiness and remedial action exercise to prepare entities for listings (both on the main and secondary markets)

16 **RISK MANAGEMENT**
Developed 16 risk management frameworks

INTERNAL AUDIT

Assisted 15 clients with their internal audit processes and function

15

COMPLIANCE

Completed 2 compliance frameworks

2

FEATURED PROJECTS

- **Project Yellow:** Took a leading role in Qatar's first ever reverse acquisition listing between Elegancia Group and Investment Holding Group QPSC ("IHG") which among other things, included valuating all IHG entities, developing all the business plans for Elegancia Group and providing transaction and deal structuring support.
- **Project Green:** Prepared the market, technical and financial feasibility study for the View Hospital (in association with Cedar Sinai) which involved onboarding a technical advisor from the UK and working with multiple stakeholders throughout the process.
- **Project Orange:** Acting as listing advisors for one of Qatar's largest systems integrator provider seeking a direct listing on the QEVM. Our services include assisting the client in developing a detailed business plan (incl. dynamic financial model), conducting an IPO readiness and remedial action exercise and supporting / project managing the entire listing process.
- **Project Build:** Supported the client in designing and implementing a robust governance structure. Provided support in establishing frameworks and guidelines for adequate oversight, controls and supervision of the Board and senior management as well as the design and implementation of internal controls framework, catering to both business and regulatory requirements comprising of internal audits and risk management.
- **Project Nexus:** Successfully supported a listed company on Qatar's main stock market in developing its 5 years strategy including benchmarking against regional peers, gap analysis, roadmap/initiatives towards remediating gaps and penetration strategy.



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1. Overview

TIME TO OPTIMIZE YOUR BUSINESS?

CH is currently assisting a number of its clients in optimizing their current businesses portfolios in order to reduce the level of risk associated with shortfalls in future cash flows and increase resilience against a downturn in the market

MARKET OUTLOOK

- Inflation is set to remain elevated above 3.5% until the end of 2024.
- The central bank interest rate has witnessed a number of increases rising from 2.5% to 5.5% over the last 12 months resulting in higher costs to finance business endeavors.
- A global recession is predicted within the next 12 months which will impact liquidity.
- There is an expected drop in profitability margins due to rising input costs.
- Contraction in the labor force following the FIFA World Cup will have negative spillover effect on domestic spending.
- Greater need for refinancing and working capital management.

HOW TO OPTIMIZE YOUR BUSINESS: SERVICE OFFERINGS



Independent business review



Working capital management



Legal entity rationalization

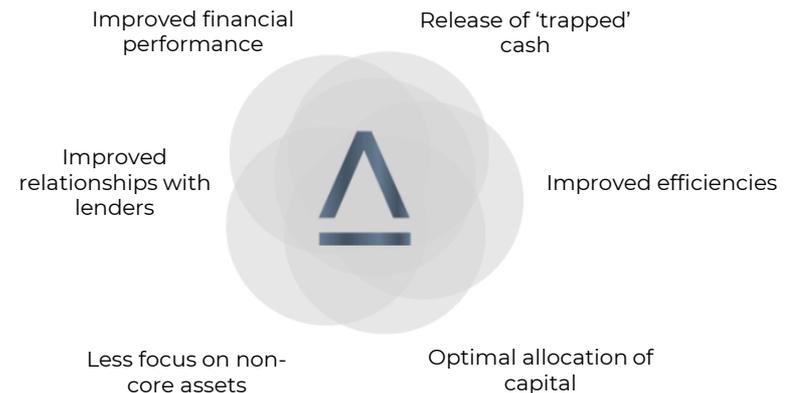


Operational restructuring



Short-term cash flow management

ADDED VALUE OF OPTIMIZING YOUR BUSINESS





2. Independent business review

TIME TO OPTIMIZE YOUR BUSINESS?

Independent business reviews (“IBR”) are typically the starting point and are a means of quickly identifying the pain-points that need to be addressed

When is the best time for an IBR to commence?

The general view is that the earlier a problem is identified, the more options are available to resolve it. This is no different when considering IBR services and we advise companies to consider undertaking an IBR as soon as it becomes apparent that future challenges may be faced.

How long does the IBR process take?

An IBR report can be completed as quickly as 2-3 weeks from receipt of requested information.

Key information requirements include:

- Audited financial statements for the previous three years;
- Year-to-date management accounts;
- Financial projections (P&L, balance sheet, and cash flow statements)
- Facility documents; and
- Key contracts/agreements

TYPICAL CONTENT OF AN IBR



Overview

Includes an overview of the business operations and key management personnel..



Historical Financials

Provides an assessment of the historical financial performance of the businesses highlighting KPIs and trends expected to be continued in the future.



Financial Projections

Short-term financial projections of the business will be assessed for the reasonableness against the historical trends and management inputs.



Short Term Cash Flow

Detailed assessment of the short-term cash flow projections highlighting the following: Ability to service upcoming loan obligations; Peak overdraft requirement; Forecast breaches of overdraft facility.



Optional Analysis

Identify and assess the available options and presenting the potential outcomes.



Conclusion & Recommendation

Based on the outcome of the above points, provide a set of insightful conclusions and recommendations to enable well-informed decisions.

The sooner a business reviews and understands its performance, and reasons behind its current position (e.g., lack of cash, margin erosion), the more options are available to effectively manage the risk and minimize potential future losses.



3. Legal entity rationalization

TIME TO OPTIMIZE YOUR BUSINESS?

CH is developing and assisting management with business closure or downsizing initiative strategies, including planning, implementation and closure of tax-related issues and elimination of dormant entities.

- ▶ Have your corporate structures become large and complex through M&A and organic growth?
- ▶ Is the cost and time of statutory compliance and regulation a burden to your business?

OUR TEAM TYPICALLY USES A FOUR-STEP PROCESS:

- **Identify:** Engage with key project stakeholders and validate current legal entity structure.
- **Diagnose and design:** Perform full-entity reviews to identify rationalization/ elimination blockers; design and agree on rationalization/elimination plan.
- **Deliver:** Resolve blockers and execute initial rationalization steps.
- **Sustain:** Help execute elimination of entities and/or implement robust processes, systems and/or controls to sustain the rationalized legal entity structure in the future.



WHY LEGAL ENTITY RATIONALIZATION?

Simplifying corporate structures can help management achieve administrative and compliance cost savings and tax efficiency.

A Legal Entity Rationalization (LER) project will result in a strategic reduction in the number of legal entities in our client's corporate structure through consolidation and/or elimination of entities by implementing a designed solution. This enhances our client's competitive positioning by:

- Reducing the regulatory burden
- Releasing capital and enhancing dividend flows (e.g. release of trapped cash)
- Reducing operational costs and enhancing efficiency
- Driving down audit, tax compliance and other administrative costs
- Saving management time and head count
- Realizing tax benefits and savings
- Releasing inter-company balances and reserves
- Improving transparency, corporate governance and investor confidence



4. Working capital management TIME TO OPTIMIZE YOUR BUSINESS?

CH restructuring professionals advise & assist clients to help them drive rapid & sustainable release of cash from working capital. Using a three-phase approach, our teams help clients to provide recommendations on activities required to realize the cash.

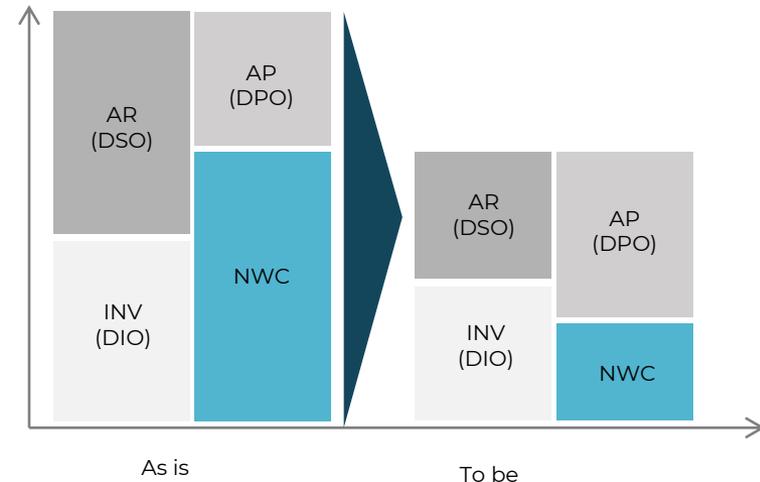
- ▶ Do you have significant working capital balances combined with a complex supply chain and multi-site operations?
- ▶ Do you need to generate more cash and manage balance sheet equity?
- ▶ Do you have limited or no visibility of short-term cash flow?

OUR APPROACH:

- **Identify:** Conduct pilot site visits, external or internal benchmarking and metric-setting; perform strategic opportunity assessment.
- **Diagnose:** Develop a prioritized set of opportunities (e.g., process improvements, elevated compliance or changes to commercial terms) and recommend actions.
- **Design, deliver, sustain:** Facilitate and support the execution of recommended actions and process changes; develop key performance indicator measures and dashboards to monitor and sustain performance.

WHY WORKING CAPITAL SERVICES?

We deliver improvement programs	We have methodologies to support medium and large companies
We deliver sustainable results, not just tactical change to meet period-end objectives	In the past we have identified a significant amount of cash flow improvements
We support both PE and corporate clients	Companies typically deliver 50%+ of identified benefits and 100% of ROI in < 12 months



On average, a typical company can release USD5m of working capital for every USD100m of sales



5. Short term cash flow management

TIME TO OPTIMIZE YOUR BUSINESS?

Our team can work with you to identify where current short-term cash forecasting practices could be improved, help implement processes to improve short-term cash flow forecasting and implement frameworks that help sustain this

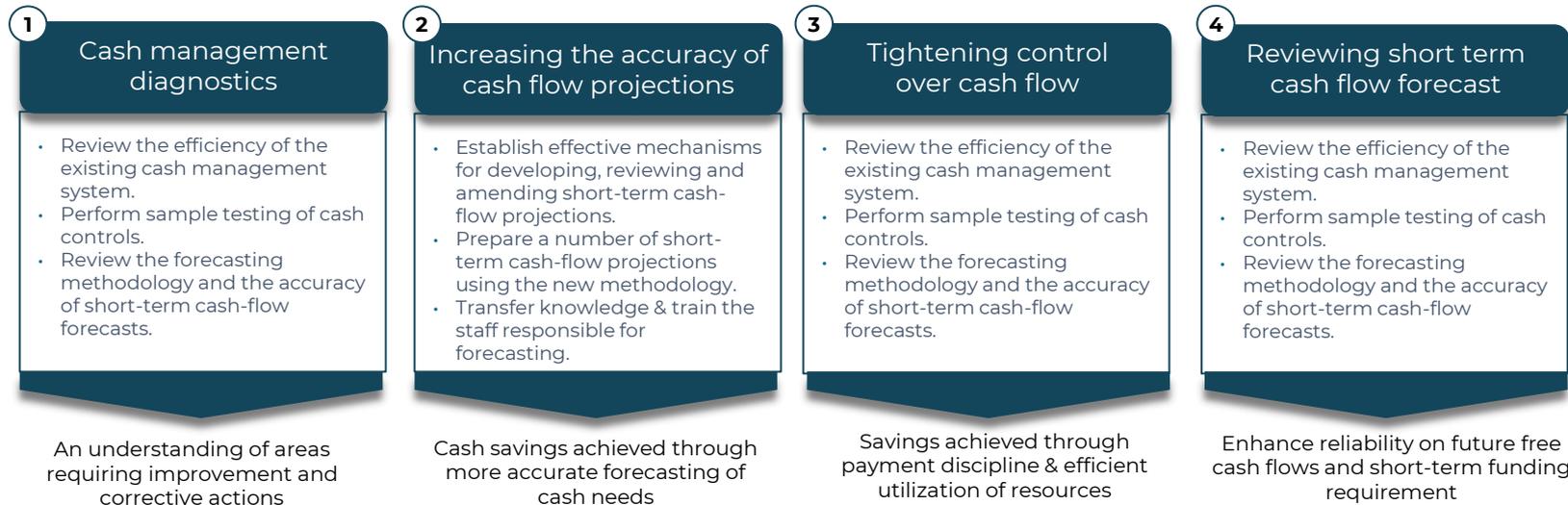
- ▶ Do you have limited or no visibility of short-term cash flow?
- ▶ Do you think your company is going to face a cash shortage in the short term?
- ▶ How reliable and timely is your current short-term cash flow forecasting process?

Lack of a clear picture of future cash flows leads to direct losses, as inaccurate forecasts often cause an unexpected need for external funds which are available only at high rates of interest or result in significant amounts of surplus cash that are not used to generate income. An accurate short-term cash-flow forecast will not only allow your business to be managed more efficiently but will also serve as an effective early warning tool, since not understanding the real liquidity needs may become fatal for your company, if for some reason it is unable to quickly borrow the required cash.

OUR PROPOSITION:

- We will help you gain better control of your cash flows, increase the accuracy of financial forecasts and make sound liquidity management one of the key principles in your organization.

OUR APPROACH:



A photograph of two people shaking hands in a business meeting. The image is overlaid with a large, white-outlined geometric shape that resembles a stylized cube or a series of overlapping planes. The top face of this shape is a light blue color and contains the text 'CONSULTING HAUS'. The background is a blurred office setting with a desk, a pen, and some papers.

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