



CONSULTING
HAUS

CONSULTING HAUS LLC

FINANCIAL DUE DILIGENCE SERVICES



1. Why CH?

HISTORICAL ACHIEVEMENTS

Consulting HAUS LLC (“CH”) brings a wealth of experience in executing projects ranging from corporate strategy, corporate finance, and corporate governance

CONSULTING HAUS LLC: IN NUMBERS

 <p>40+ STRATEGIES Appointed strategy advisors for 40+ clients spanning 15 sectors and three geographies</p>	 <p>250+ FEASIBILITY STUDIES Completed over 250 bankable feasibility studies</p>	 <p>120+ TRANSACTION ADVISORY Sell-side/buy-side advisors</p>
 <p>30+ LISTING READINESS SUPPORT Successfully consulted 30+ clients and provided listing readiness support</p>	 <p>50+ FINANCIAL DUE DILIGENCE PROJECTS Involved in the FDDs of over 50 targets in the last 2 years</p>	 <p>100+ INTERNAL AUDIT ENGAGEMENTS Completed 100+ internal audit engagements for clients operating in various sectors</p>
 <p>20+ CORPORATE GOVERNANCE Developed corporate governance frameworks for 20+ large business groups</p>	 <p>15+ ESG 15+ projects conducted across various ESG aspects for large corporates</p>	 <p>70% RE-OCCURRING CLIENT REVENUES The quantum of repeat business is reflective of our exceptional quality</p>

CORPORATE FINANCE	LISTING ADVISORY
	STRATEGY / BUSINESS REVIEW
	FEASIBILITY / BUSINESS PLAN
	VALUATION / DILIGENCE
	TRANSACTION SUPPORT
GOVERNANCE, RISK AND COMPLIANCE	CORPORATE GOVERNANCE
	ENTERPRISE RISK MANAGEMENT
	COMPLIANCE MANAGEMENT
	INTERNAL AUDIT & QUALITY ASSESSMENT
	ESG



1. Why CH?

OUR VALUE PROPOSITION

Our regional offices have a proven track record in delivering complex assignments across the fields of corporate finance and corporate governance

YOUR PATH TO SUCCESS

In the ever-evolving business landscape, success is not just about making the right decisions but also the best decisions. That's why intelligent entrepreneurs, executives, and companies turn to CH. Here's why people are choosing us as their trusted consulting partner:

EXPERTISE ACROSS INDUSTRIES

At CH, our consultants bring a wealth of experience from diverse industries. Whether you are in tech, finance, healthcare, or any other sector, our team has the knowledge and insights to guide you.

PROVEN TRACK RECORD

Our portfolio of successful projects and satisfied clients speaks volumes about our capabilities. We do not just talk about results; we deliver them.

TAILORED SOLUTIONS

We do not believe in one-size-fits-all. Our consultants work closely with you to understand your unique challenges and goals, crafting solutions tailored to your needs.

DATA-DRIVEN DECISIONS

In today's data-driven world, informed decisions are paramount. We leverage cutting-edge analytics and market research to provide the data you need to make confident choices.

INNOVATION AT ITS CORE

In a rapidly changing world, innovation is critical. We inspire creativity and innovation within your organization, helping you stay ahead of the competition.

STRATEGIC PLANNING

Our consultants are not just problem-solvers; they are strategic thinkers. We help you chart a course for the future, identifying opportunities for growth and mitigating risks.

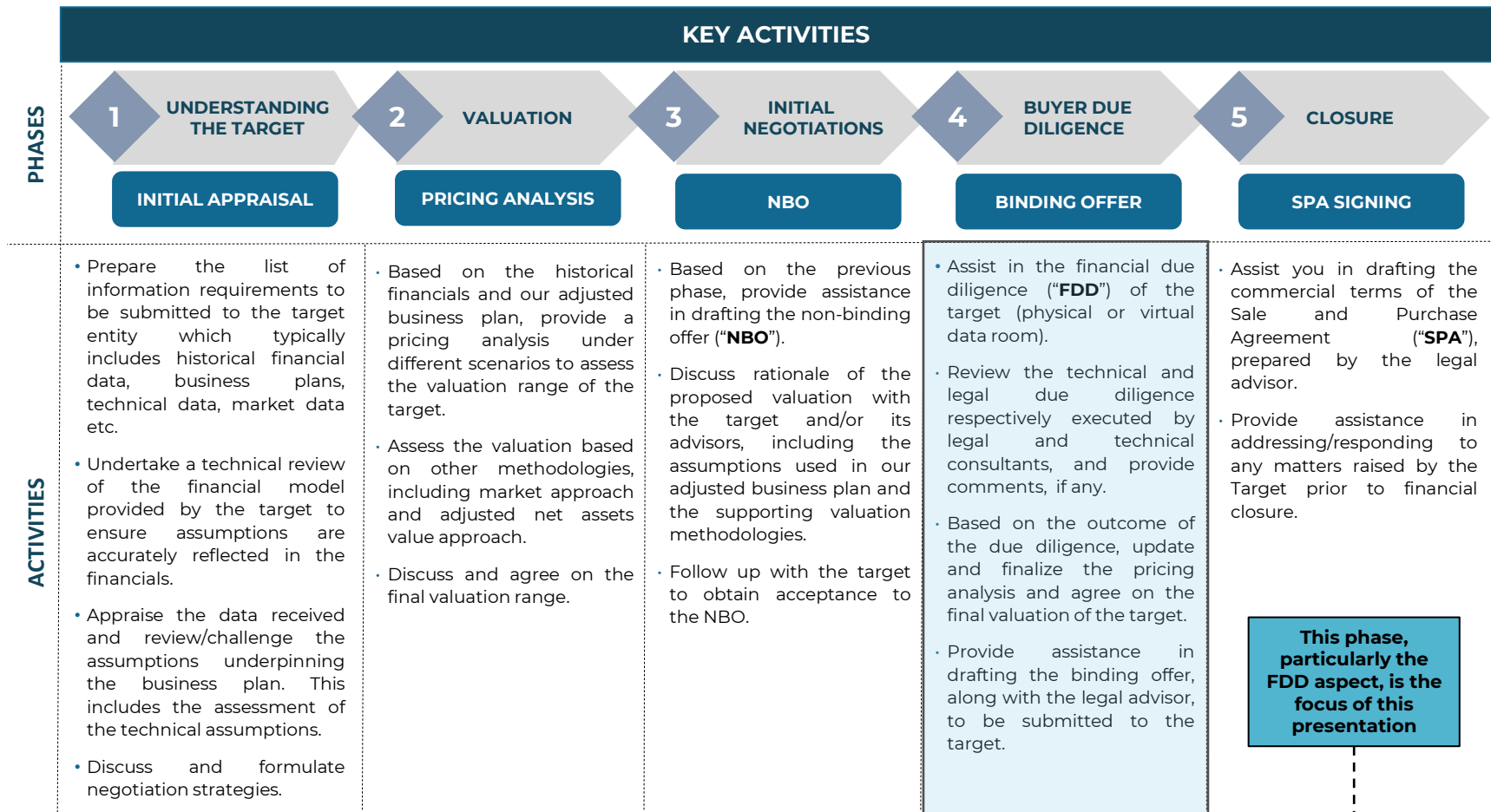




2. Financial due diligence services TRANSACTION ROADMAP

CH specializes in supporting its clients throughout the entire acquisition process (i.e. 'cradle to grave')

CH OFFERS A FULL TURNKEY BUY-SIDE ADVISORY SOLUTION TO ITS CLIENTS





2. Financial due diligence services

FDD IS AN ESSENTIAL BUY-SIDE ADVISORY SERVICE THAT SUPPORTS ACQUIRERS IN THE DECISION-MAKING PROCESS

KEY SECTOR EXPERTISE: FDD



MAIN USES OF FDD'S



2. Financial due diligence services

IMPORTANCE OF FDD IN M&A

FDD is vital for uncovering financial realities, mitigating risks, ensuring accurate valuations, and supporting informed decision-making, all of which contribute to the success of an M&A transaction

SIX CRITICAL FDD CONSIDERATIONS IN M&A TRANSACTIONS

VALUATION ACCURACY

Verifies historical financial position to ensure valuation accuracy and/or provides the grounds for price negotiations/adjustments based on findings.

INTEGRATION PLANNING

Aids in planning for cost savings and operational integration. Also ensures accounting policies and financial controls are aligned to avoid any post acquisition surprises.

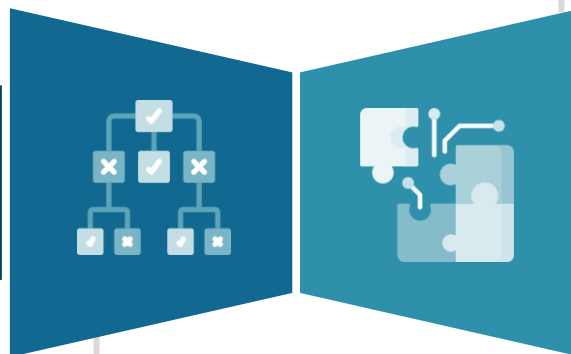
STAKEHOLDER ASSURANCE

Reassures investors about the transaction's soundness and fulfills lender requirements for financing the acquisition.



RISK MITIGATION

Reveals potential financial risks and liabilities that could affect valuation and performance. Uncovers fraudulent financial reporting or irregularities.



INFORMED DECISION MAKING

Helps determine if the target aligns with strategic goals and adds expected value. Evaluates the reasonableness of financial projections.



COMPLIANCE / REGULATORY ADHERENCE

Confirms adherence to financial regulations, reducing legal risks and identifies tax exposures and opportunities.

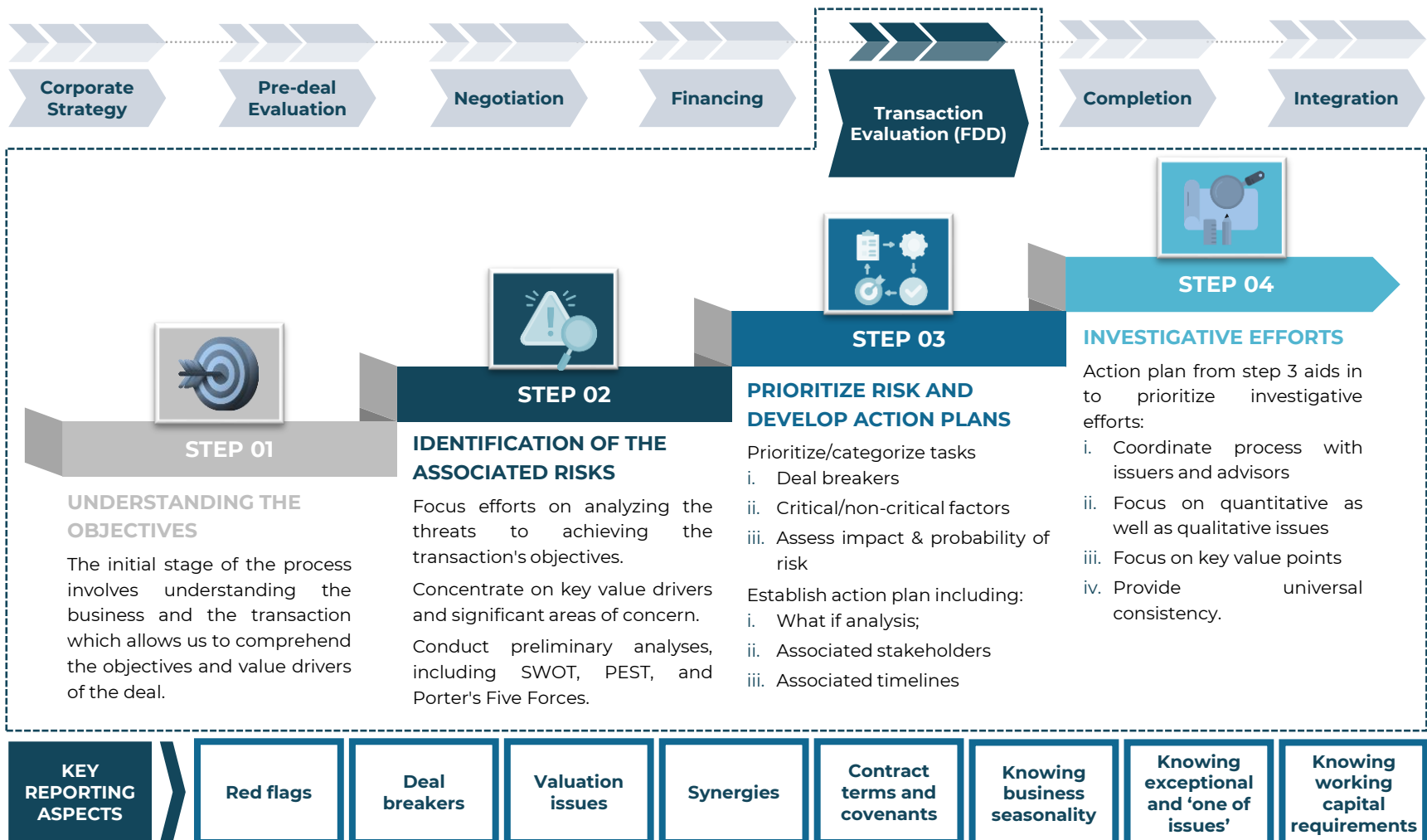




2. Financial due diligence services

DUE DILIGENCE OVERVIEW (RED FLAG)

For FDD processes, we follow a systematic multipronged approach to identify key reporting aspects such as red flags, deal breakers, valuation issues among others





2. Financial due diligence services

TYPICAL FDD PROCESS: KEY QUESTIONS ANSWERED

In FDD, we typically address the following crucial questions using both detailed and focused approaches. This ensures a balanced and robust perspective on the key aspects of the deal

TYPICAL FDD PROCESS: KEY QUESTIONS ANSWERED

REVENUE	GROSS MARGINS	EBIDTA	WORKING CAPITAL & DEBT	CAPEX & CASH FLOWS
<ul style="list-style-type: none">• What has driven historical growth?• How does performance vary across product types and regions?• How significant are customer, business segment, and product concentration?• How have recent macroeconomic factors impacted revenue and prices?• What is the amount of contractually secured revenue?• What are the key terms and nature of customer arrangements and relationships?	<ul style="list-style-type: none">• How have gross margins evolved over time?• What are the key cost drivers?• Has the business implemented any cost-saving initiatives to protect or improve margins?• Who are the key suppliers and sub-distributors, and what are the key terms and conditions of their contracts?• How do margins vary by product type, customer, and region?• How does the business source manpower requirements, and what is the retention strategy?	<ul style="list-style-type: none">• What is the current cost base, and how is it divided between variable and fixed costs?• What is the size and structure of the current overhead base, and is it adequate to support future growth?• Are there any one-off or non-operating incomes or expenses affecting the underlying EBITDA?• What are the budgeting procedures, and how accurate have historical budgets been?	<ul style="list-style-type: none">• What is the average and typical working capital for the business?• Is there any risk associated with the recoverability of receivables or any challenges with payables?• Are there risks related to the value of aged or slow-moving inventory items?• Are there any one-off customer or supplier balances distorting trends?• What is the net debt profile of the business? Are there any debt-like items?• What are the business's operating and capital commitments? Are there any contingent liabilities?	<ul style="list-style-type: none">• Comment on key working capital changes and movements.• Differentiate between maintenance/replacement and expansionary capital expenditure (Capex), including planned and committed Capex for future expansions.• What is the underlying cash conversion profile of the business? Comment on operating and free cash flow conversion.• Provide insights on financing cash flows.

3. Impact of adjusted EBITDA

UNDERSTANDING THE IMPORTANCE OF ADJUSTED EBITDA

Adjusted EBITDA plays a critical role in the valuation of an enterprise which is used as a metric and benchmark in the valuation process

UNDERSTANDING ADJUSTED EBITDA

What is adjusted EBITDA?

- **EBITDA:** Earnings before interest, taxes, depreciation, and amortization – a key measure of a company's financial performance and operational profitability.
- **Adjusted EBITDA:** Adjusted to exclude one-off, non-recurring, or unusual items, providing a normalized view of earnings.

Why is adjusted EBITDA critical in due diligence?

- **Standardization across companies:** Facilitates like-for-like comparison across companies or industry peers by removing distortions from unique or irregular items..
- **Core performance insights:** Focuses on the company's recurring operational profitability by excluding non-operational and non-recurring costs (e.g., legal settlements, restructuring costs).
- **Valuation benchmark:** Serves as a foundation for enterprise valuation models like EV/EBITDA multiples, ensuring more accurate pricing in transactions.
- **Decision-making tool:** Helps stakeholders (buyers, investors, lenders) understand the company's capacity to generate sustainable cash flows and repay debts.

What are the uses of adjusted EBITDA in financial due diligence?

- **Transaction structuring:** Identifying normalized earnings for fair purchase price determination.
- **Debt assessment:** Gauging the company's ability to meet leverage covenants or finance debt obligations.
- **Forecast validation:** Comparing adjusted EBITDA trends with future earnings potential to assess business scalability.
- **Risk mitigation:** Highlighting adjustments that may reflect operational risks or overdependence on certain revenue streams.

IMPORTANCE OF ADJUSTED EBITDA





3. Impact of adjusted EBITDA

CALCULATING ADJUSTED EBITDA

Calculating adjusted EBITDA offers a clearer lens through which to view a company's operating performance

ADJUSTED EBITDA: A NON-GAAP METRIC

- Adjusted EBITDA stands apart from standard financial metrics. It's not recognized by GAAP, which are the rules for financial reporting. Instead, it gives a unique look at earnings.
- This view dives deeper into operational performance by adding back certain items to profit. These items can be things like depreciation and amortization – they don't take cash out of the business but do affect reported income.
- Companies often use adjusted EBITDA to show their real cash flow potential without accounting rules making things blurry. It helps remove distractions from one-off costs or revenue items that may distort profitability in a particular period.
- While this measure is not a part of official financial statements framework, many find it useful for comparing businesses without non-operational factors getting in the way.

COMPONENTS OF ADJUSTED EBITDA

Earnings

Earnings are the starting point for adjusted EBITDA, measuring a company's profitability and reflecting how much income the company generates from its operations. To arrive to the adjusted EBITDA, certain figures are added back to earnings. These include nonoperating expenses and one-time charges that can skew our view of financial performance.

Interest

Taking out the interest payments gives a clear picture of a company's operating performance. These adjustments allows for the comparison of companies without worrying about different debt levels. It's all about how well the business is doing

Taxes

Firms look at adjusted EBITDA to understand profitability without tax expenses. This figure helps analysts separate operational success from tax strategies. Every company must handle income tax, however, it doesn't reflect how well the business is running daily

Depreciation & amortization

Depreciation & amortization shows how much of an asset's value has been used during a specific period. To include this in adjusted EBITDA, companies add back depreciation & amortization from their earnings. These are non-cash expenses since no actual money is spent year after year. Instead, they reflect wear and tear or aging of assets like machinery, equipment, and buildings.

Adjusted EBITDA stands apart from standard financial metrics. It's not recognized by GAAP, which are the rules for financial reporting. Instead, it gives a special look at earnings. Companies often use adjusted EBITDA to show their real cash flow potential without accounting rules making things muddy. It helps remove noise from one-time costs or revenue that may distort profitability in a particular period.

3. Impact of adjusted EBITDA

THE ROLE OF ADJUSTED EBITDA IN VALUATION

EBITDA plays an essential part in company valuation as it's a key metric to understand the cash generated by a business' operations

ADJUSTED EBITDA: IMPORTANCE WHEN IT COMES TO VALUATION

- Unlike simple net income and simple EBITDA figures, adjusted EBITDA accounts for cash flow generation ability without getting skewed by nonrecurring items exclusion or one-off charges and revenues. This makes it easier to see which companies stand strong financially and are likely good investments.
- Differences between reported EBITDA and adjusted EBITDA can significantly affect valuation outcomes. In a discounted cash flow (DCF) model, any adjustment to EBITDA directly impacts cash flow projections, altering the perceived value of the business.
- Further, adjusted EBITDA serves as a key metric in the market approach for valuation, where it is often used as a multiple to derive a company's market value. Changes in adjusted EBITDA due to non-recurring items can shift the valuation metric, directly influencing the company's final valuation in transactions or negotiations.
- Adjusted EBITDA ensures that stakeholders make decisions based on normalized earnings, free from irregularities that may impact the quality of earnings.





4. How we add value to your deal

OUR VALUE PROPOSITION FOR FDD PROJECTS

We bring in significant FDD expertise which, coupled with our proven methodology ensures an efficient process



OUR EXPERIENCE IN FDD AND VALUATION

We have completed 50+ FDDs over the last two years alone where we had provided our independent opinion working with listing advisors, corporates, and management consulting firms.

Our team has in-depth knowledge and established capabilities in a variety of transaction-related situations, including providing pricing analysis, purchase price allocations, annual goodwill impairment, and intangible valuations.



FOCUS ON TIMELINESS AND ACCURACY

As your FDD consultant, we prioritize timeliness and accuracy to ensure informed decision-making and strategic advantage.

Timely due diligence allows our clients to seize market opportunities and strengthen negotiations, while accuracy guarantees reliable risk assessment, proper valuation, and regulatory compliance.

Our expertise and use of advanced tools ensure a smooth, efficient process, building trust and credibility for the transactions.



FDD TEAM MEMBERS HAVE WIDE TRANSACTION AND BUY SIDE EXPERIENCE

Our team members have longstanding experience in undertaking FDD, business combination exercises and buy side transactions across various industries and services, which allows us to use selective approach to maximize efforts and outputs.

In addition, unlike traditional advisors, our team has vast experience working across the full buy-side and sell-side cycles meaning they understand how an FDD fits into the bigger picture which enables more valuable advice to be given.



APPROACH AND METHODOLOGY

We adopt a rigorous approach with efficient delivery mechanisms.

By investing time upfront and ensuring your objectives are fully understood, we remain focused on the key issues, ensuring you are continually updated to avoid 'surprises' towards the end the project.

Our methodology assures a comprehensive analysis through insights from all stakeholders complemented with our proven analytical methods.

A photograph of two people shaking hands in an office setting. The image is overlaid with a large, white-outlined geometric shape that resembles a stylized 'H' or a series of connected triangles. The text 'CONSULTING HAUS' is centered within the top-right portion of this shape. The background is a blurred office desk with papers and pens.

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