

Due Diligence on Prospective Target Engaged in QSR Business for EMEA-based Client

Delivered fast turnaround for a competitive deal

Provided real-time support

Highlighted gaps in the existing valuation

Enabled the decision-making process with a comprehensive financial model

CLIENT CHALLENGES

- The client was advising on a buy-side Quick Service Restaurants (QSR) business transaction in the Middle East, but lacked resources and bandwidth to conduct financial [due diligence](#)
- It required a quick turnaround, as the target was in talks with other prospective buyers at the same time
- Key requirements were the following:
 - Understanding and verifying the business plan prepared by the target's management
 - Transforming the [financial model](#) to facilitate comprehensive analysis by the client's partners
 - Carrying out analysis based on the relative valuation and DCF methods
 - Integrating sensitised valuation drivers into company financials to derive the implied valuation

OUR APPROACH

- Scoped the work and assigned an expert financial modeller to the project, with a senior subject matter expert providing guidance and oversight
- Reviewed all material received from the target's management, including [financial statements](#) and management projections to decode the business model, key drivers, proposed deal structure and the target's industry
- Conducted secondary research to validate drivers and assumptions and shared key findings and other variations with management
- Identified key factors for valuation and incorporated two new cases to assess the downside and upside valuation ranges
- Arrived at the valuation range using different approaches and different cases

IMPACT DELIVERED

- Acuity Knowledge Partners conducted a thorough analysis of the company, providing the client a detailed valuation, along with other relevant findings

- The team identified and highlighted gaps in the management case, which were earlier unaccounted for
- The questionnaire prepared by the team helped the client better understand certain finer nuances related to the business
- The flexible valuation model helped the client's team run concurrent multiple scenario simulations for a comprehensive valuation view

About Acuity Knowledge Partners

Acuity Knowledge Partners is a leading provider of high-value research, analytics and business intelligence to the financial services sector. The company supports over 350+ financial institutions and consulting companies through a team of over 3,000+ subject matter experts who work as an extension of the clients' teams based out of various global delivery centres.

We empower our clients to drive revenues higher. We innovate using our proprietary technology and automation solutions. We enable our clients to transform their operating model and cost base.

