

MAZARS USA LLP



# CASE STUDY

## Mergers & Acquisitions Transaction Services

### Engineering Design and Assembly Business

#### CHALLENGE

Client with limited resources needed to conduct financial analysis and reporting process to determine closing price of acquisitions.

Existing challenges included:

- Unsophisticated Target with poor quality financial data which inhibited client's ability to assess performance and ultimately valuation.
- Lack of financial and human resources at Target to address financial reporting and record keeping deficiencies.
- Time sensitive process upon which to provide client with a report and recommendations on the transaction.

#### HOW MAZARS HELPED

We assembled a team of skilled M&A professionals who were experienced in financial planning and process.

##### Solution:

- Perform a targeted analysis into core accounting processes of the business, primary being percentage of completion accounting, to address inaccuracies distorting results.
- Analyze balance sheet for possible working capital considerations that would affect closing purchase price.
- Provide suggestions to correct and strengthen the quality of financial reporting.

#### THE RESULT

- Provided client with accurate view of the financial results of the business, and recommendations for go-forward financial reporting improvements to implement.
- Informed client of various accruals and deposits that should be included in the debt of the Target, as opposed to net working capital, resulting in a decrease in purchase price of the transaction.
- With accurate financial information and clear visibility into accounts, Client was able to close on the transaction

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