



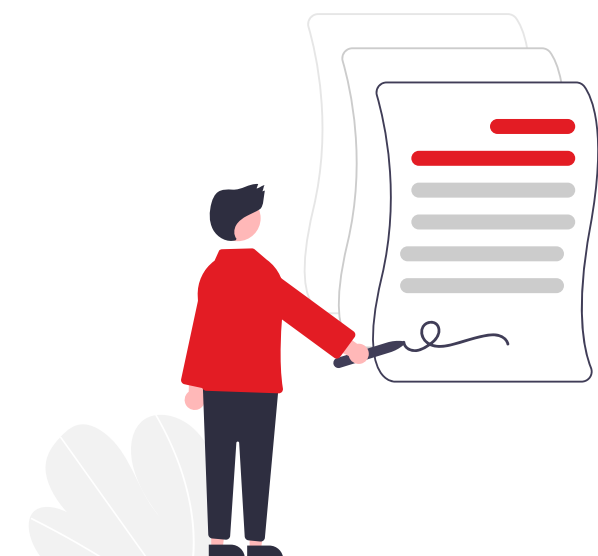
# Business valuation for the pipe business of a Hong Kong-based global conglomerate

## Business Situation

- Supported one of the Middle East-based IB firms in valuing the pipe business of a Hong Kong-based global conglomerate for a merger.
- The project involved conducting a merger analysis of the two entities to understand the accretion effects of the deal followed by valuation across various methodologies.

## SGA Support

- Understood the business structure of the two entities from the management to model the business.
- Provided forecast of a five-year semi-annual model with separate financial statements for each of the two entities and subsequently merged the financials to form a merger model.
- Calculated the synergies and the impact on the capital structure of the merger entity.
- Analyzed sensitivities on the accretion and dilution versus the premium paid.
- Prepared a model that involved building out revenue, loan, balance sheet, and fixed asset assumptions and schedules to project the financial statements followed by a DCF analysis.
- Market-based approach, which included company comparables and precedent transactions.
- Output involving building different scenarios (base, bear, bull), sensitivity analysis, football field analysis, and key ratios.



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