



Corporate Finance Advisory

Services for successful transactions
in the CEE and SEE market



Albania | Austria | Bulgaria | Croatia | Czech Republic
Hungary | Poland | Romania | Serbia | Slovakia | Slovenia



Maximum benefits from transactions

One indicator of successful business activity is the constant increase in business value. This can be achieved by performing mergers and acquisitions and, under such circumstances, it is crucial to optimise transactions.

Risk mitigation, a well-planned strategy and transaction valuation are the key elements for the success of such an undertaking. Last but not least, success is to a large extent dependent on the quality of available information as well as the introduction of appropriate post-transaction and restructuring measures.

The TPA Approach

The TPA transaction advisory team plays an essential role in every transaction phase. Our team of experts has extensive project experience in the field of mergers and acquisitions. Our integrated approach relies on the use of our local experience, individual skills and the know-how of our experts in implementing internationally recognised methodology and best practices.

The members of our team are experienced advisors in the areas of finance, tax and management. Furthermore we work in close cooperation with legal advisors and banks.

When performing cross-border transactions, our clients benefit from a uniform application of our services throughout the TPA Group. Likewise we affiliate with members of the Baker Tilly Europe Alliance when working on a global level. At the same time we offer one project leader and contact to promote communication and cooperation.

Mergers & Acquisitions

Expansion in new markets, strategic re-orientation or re-organisation: mergers and acquisitions open opportunities for companies of all sizes and in all sectors to increase their business value.

Our services include:

- Establishment of a strategy for sell-side mandates regarding bidder profile, purchase price structure, time frame, exit, etc.
- Alternatively, establishment of an expansion strategy for buy-side mandates and search for suitable target companies
- Development of an optimal transaction structure taking into consideration financial and tax issues as well as value improving factors and accounting
- Comprehensive analysis of companies and markets for optimal presentation in the marketing documents
- Verification of third party documents
- Preparation and execution of the entire M&A process as well as assistance in preparing major documents (support letter, LOI, binding offer, etc.)
- Search and identification of potential buyers for sell-side mandates with market standard marketing material
- Support in preparing and gathering information for a data room and management meetings
- Financing of transactions
- Support during negotiations, the bank approval process and the credit facility documentation process
- Implementation of the entire financing process up to the disbursement of funds
- Preparation of and support in negotiations with potential investors
- Strategic financial consultancy, primarily pertaining to quantitative and qualitative business development planning



Due diligence

Our planning and project performance methodology aims to maximise cost efficiency and to ensure optimal risk identification and assessment. We investigate areas of business activity which are exposed to the greatest financial and tax risk.

Financial due diligence

Financial due diligence is performed pursuant to recognised international standards.

Its scope includes:

- Identification of the primary risks (the deal-breakers)
- EBITDA analysis in terms of cash flow projections
- Operational activity analysis on the revenue and cost side
- Review of balance sheet items and off balance sheet liabilities
- Working capital analysis
- Analysis of significant agreements concluded by the target

The result is a report highlighting particular areas constituting the subject of the audit together with a summary of significant risks and a detailed list of financial information.

Tax due diligence

We provide a verification of the overall tax position as well as an analysis and assessment of potential tax risks.

Tax due diligence includes:

- Verification of tax settlements in light of current regulations within the scope of: CIT, VAT, PIT, excise duty as well as social insurance contributions and tax on civil law transactions as well as real estate tax.
- Identification of the primary risk areas pertaining to tax liabilities of the target, with particular emphasis on their effect on the current financial situation and future financial situation of the acquirer.

Wherever possible we estimate initial values for the potential for overdue tax liabilities relevant to the target.

Valuations

We have extensive knowledge and experience in performing valuations for companies, institutions and investment funds.

Our services include:

- Indicative and comprehensive valuations of enterprises
- Valuation of intellectual property (trademarks, patents, etc.)
- Financial modelling including assistance in making strategic decisions
- Analysis of indebted and unprofitable entities' restructuring programmes together with insolvency risk quantification
- Valuations of the need for capital group restructuring
- Valuations of non-public investment fund assets
- Fairness opinions
- Comprehensive calculation and allocation of business purchase price pursuant to IFRS, including the price of identifiable assets of the acquired entity, liabilities and all non-controlling shares in the acquired entity.

Financial Models

We also specialise in building financial models used especially in a decision making process. We create simulation models supporting solutions for both a single enterprise as well as an entire sector. Our financial models are based on expert reports. The effects of regulatory changes on the business environment are assessed and reports on the client's business strategies are provided.



Restructuring

If a company can no longer meet the challenges it faces, a crisis can follow, especially as regards trust in relations with both creditors and banks. We help to rebuild that trust. We can verify the objectives of indebted and unprofitable businesses' recovery programmes and calculate the chances of achieving given financial results. Further we evaluate the probability of success and calculate the rate of return for the bank and other investors.

- Status-quo analysis, short and medium term liquidity needs
- (Strategic) Independent Business Review
- Preparation and/or examination of re-organisation concepts
- Analysis of crisis factors and proposals to improve performance
- Plan scenarios with simulation models
- Forecasts regarding continued operation of the company
- Search for an investor to secure long-term continued business
- Support in financing questions and bank negotiations

Post-Merger Integration

Due to their complex nature and the need to consider numerous factors, transactions can carry risks. One of the decisive phases in a transaction is the integration phase. We provide effective continuation of operational activity assisting in the following processes:

- Integration analysis and assessment for businesses subject to a merger
- Integration of financial and accounting functions, including a unification of account schedules, accounting policy, in-house executive procedures, tax procedures
- Company management function and process integration including management and control tools and IT systems
- Unification of plans and budgets, developing a strategic business plan and a financial model for the merged organisation
- Post merger financial and operation efficiency monitoring.

TPA – Your strong partner

TPA is one of the leading tax advisory and auditing services companies in Central and South Eastern Europe. More than 1,000 employees work for the TPA Group at 27 offices in Albania, Austria, Bulgaria, Croatia, the Czech Republic, Hungary, Poland, Romania, Serbia, Slovakia and Slovenia.

Our services include tax advisory, accounting, auditing and advisory in 11 countries.

The TPA Group is an independent member of the Baker Tilly Europe Alliance and is thus able to provide a worldwide network of tax advisors, auditors and consultants for its clients.

Whatever the request, we offer our clients a comprehensive service, reliability and creativity and deliver competent solutions promptly. Our work is based on highly specialised qualifications, experience gained over many years and personal on-site support of our clients.

As a forward-looking service provider with great commitment, we consider ourselves partners of our clients and take responsibility for our quality and success. We produce comprehensible solutions and accompany our clients in their realisation.



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