

Sell-Side Diligence Case Study



Challenges

A rapidly expanding, project-based services company—backed by a private equity firm and grown through multiple acquisitions—was preparing for a competitive sale led by a top-tier investment bank. Fragmented financial systems and inconsistent revenue recognition across entities created significant complexity.

- **Inconsistent Accounting** – Project accounting and financial reporting was fragmented
- **Revenue Recognition Issues** – The methodologies across projects and entities were used
- **High Buyer Expectations** – To achieve a successful sale it would require transparent, defensible analysis under scrutiny
- **Compressed Timeline** – There was a tight deadline to prepare for market, without sacrificing accuracy



FDTA Solutions

After analyzing the situation, FD Transaction Advisory provided the client with solutions to facilitate a smooth sale by:

Creating Standardized Project Accounting

- Reviewed and corrected historical project accounting
- Aligned revenue recognition with accounting standards

Building a Centralized Financial Database

- Organized historical revenue, cost, and profit by project
- Standardized data across business lines, geographies, and industries

Delivering a Quality of Earnings Report

- Presented consistent, pro forma financials reflecting all acquisitions
- Provided defensible metrics for buyer validation

Creating a Comprehensive Databook

- Addressed common buyer questions
- Enabled a more efficient due diligence process



Results

FDTA's expertise in project accounting and financial due diligence empowered the Client to advance their position prior to sale and come away with a successful exit

Standardized Financials

FDTA's support resolved inconsistencies and ensured GAAP compliance, creating transparent financials

Buyer-Ready Analysis

The clear, transparent analysis established trust with the buyer and reduced potential diligence delays

Competitive Positioning

FDTA's enhancements allowed the seller to improve its negotiating leverage.

Successful Exit

With the help of FDTA, the seller was able to obtain a strong valuation with minimal adjustments.

**Clarity. Confidence.
Great Outcomes.**