

OUR APPROACH TO QUALITY OF EARNINGS REVIEWS



Our Nine-Step Approach to Quality of Earnings Reviews

Buy-Side

1. Determine the users of the report (i.e. limited partners, bankers, mezzanine funds) so that the contents can be tailored to their intended uses and the report has multiple uses
2. Meet with the buyer to discuss issues that were uncovered in business diligence that remain unresolved
3. Collaborate with the buyer as to the specific procedures required for the QOE in addition to the standard calculating of EBITDA and analyzing management add-backs and adjustments
4. Provide a draft engagement letter to the buyer which includes the specific procedures to be performed as well as the dates they will be performed and when a draft of the report will be completed as well as a range of fees for the services
5. All buy-side work is performed on-site and only by seasoned M&A professionals
6. At the conclusion of each day of the on-site visit GG&G has a debrief call with the buyer to review and discuss the findings from that day. This allows the buyer to hear what is being uncovered in real-time and have the opportunity to change the course of our work and still keep pricing within the fixed fee range originally quoted. This procedure prevents work being performed that is not valued by the buyer as well as constantly evolving with what is uncovered each day
7. All reports include a section addressing all aspects of taxation at the target company and the related impact on valuation
8. Issue a draft of our report in PowerPoint to the buyer for review and discussion
9. Issue final report

Sell-Side

1. Meet with the sellers and their investment banker/broker to review and discuss the purpose of the report
2. Provide a draft engagement letter to the seller which includes the specific procedures to be performed as well as the dates they will be performed and when a draft of the report will be completed as well as a range of fees for the services
3. All sell-side work is performed on-site and only by seasoned M&A professionals
4. At the conclusion of each day of the on-site visit GG&G has a debrief call with the seller and their advisors to review and discuss the findings from that day. This allows the seller to hear what is being uncovered in real-time and have the opportunity to change the course of our work and still keep pricing within the fixed fee range originally quoted.
5. Collaborate with management to address issues arising as a result of our work and ensure they are addressed timely prior to the company going to market
6. Prepare/review EBITDA, support for add-backs and adjustments and establish the basis for a working capital target
7. All reports include a section addressing all aspects of taxation at the company and the related impact on valuation
8. Issue a draft of our report in PowerPoint to the seller for review and discussion
9. Issue final report



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