

# **CARAVAN FINANCIAL ADVISORS**

**PROFILE**

**August 2019**

## Overview

Caravan Financial Advisors (“Caravan”) is an advisory firm providing a range of financial, investment, and business advisory services to corporates, institutional investors, financial institutions and family offices. Headquartered in Lahore, Pakistan, the company has a global reach with clients in various countries and regions across a wide range of industries and sectors.

Caravan is purely an advisory firm and does not lend, underwrite, trade or invest its proprietary capital. Our range of advisory services include:

- **Mergers and acquisitions advisory**
- **Valuations**
- **Debt Advisory**
- **Financing Advisory**
- **Corporate and Financial Restructurings**
- **Business Advisory**
- **Actuarial Valuations**



### Overview (Contd.)

Our strengths include the ability to form strategic partnerships and alliances. We have strategic relationships with a wide range of investment banking firms, investment managers, strategy consultants, and actuarial firms.



### Caravan

*A Caravan is a group of people traveling together, often on a trade expedition. Caravans were used mainly in desert areas and throughout the Silk Road, where traveling in groups aided in defense against various kinds of risks and helped to improve economies of scale.*

*Our vision for Caravan Financial Advisors is to be a platform for companies, investors, financial institutions, and professionals, to interact, cooperate, and achieve common objectives.*



# SERVICES

## M&A

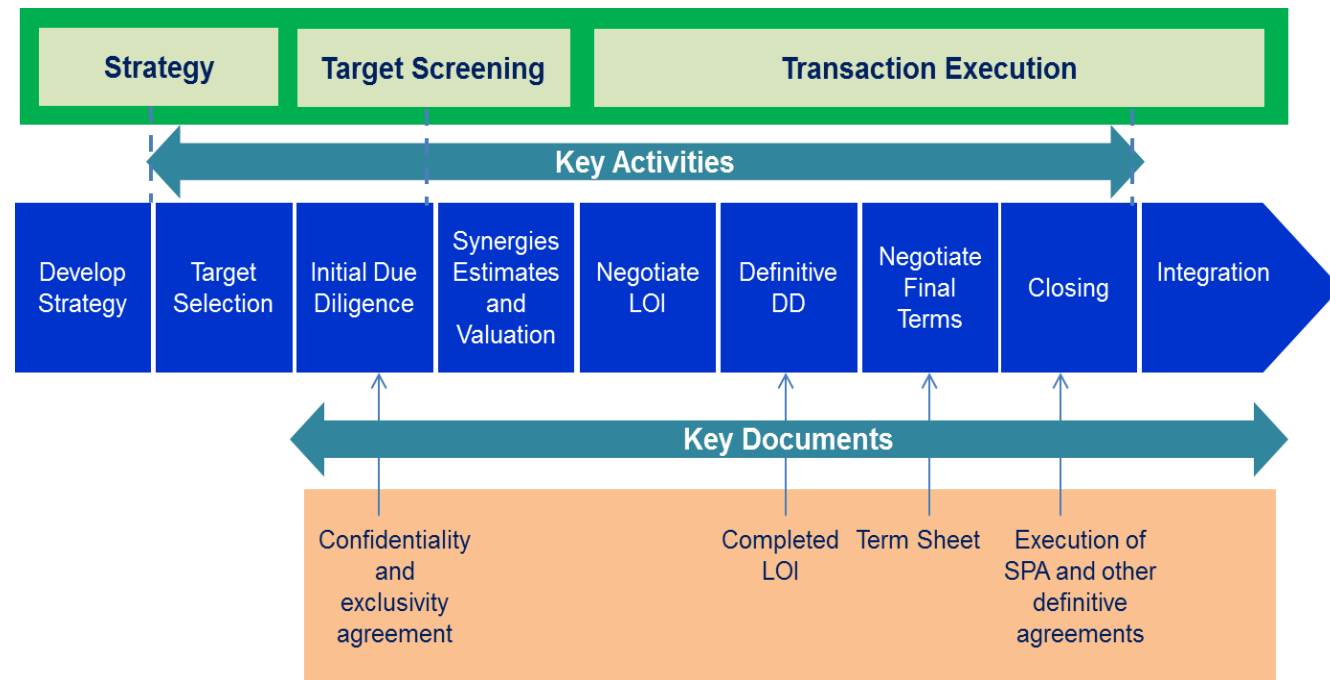
### Mergers & Acquisitions Advisory

M&As are undertaken by companies to achieve certain strategic and financial objectives. We offer assistance in initiating, structuring, valuing, and financing acquisitions. We help our clients identify transactional opportunities, locating potential investors, buyers and sellers, assist in devising optimal transaction structuring options, and bringing the parties to mutual agreement at the negotiating table.

Every transaction has a buyer and a seller. At Caravan, we help some clients sell their business while guide others looking to acquire. Our experience gives us the knowledge and critical insights by sitting on both sides of the table. These Insights serve to guide our clients toward smarter acquisitions and successful outcomes.



### Buy-side Process



## M&A

### Mergers & Acquisitions Advisory

(Contd.)

The sale of a business is a time consuming and complex process. We recognize that each client’s situation is unique which is why our client’s trust us to create a comprehensive solution that meets their specific objectives. A successful transaction needs an organized and well-planned process. We not only strive to obtain the best selling price for the client but also help in protecting against risks and preserving the company’s legacy. So whether you’re ready to sell now, or you’re looking for long-term guidance to increase profits, lower risks and better position yourself to do so in the future, we can help.

### Sell-side Process

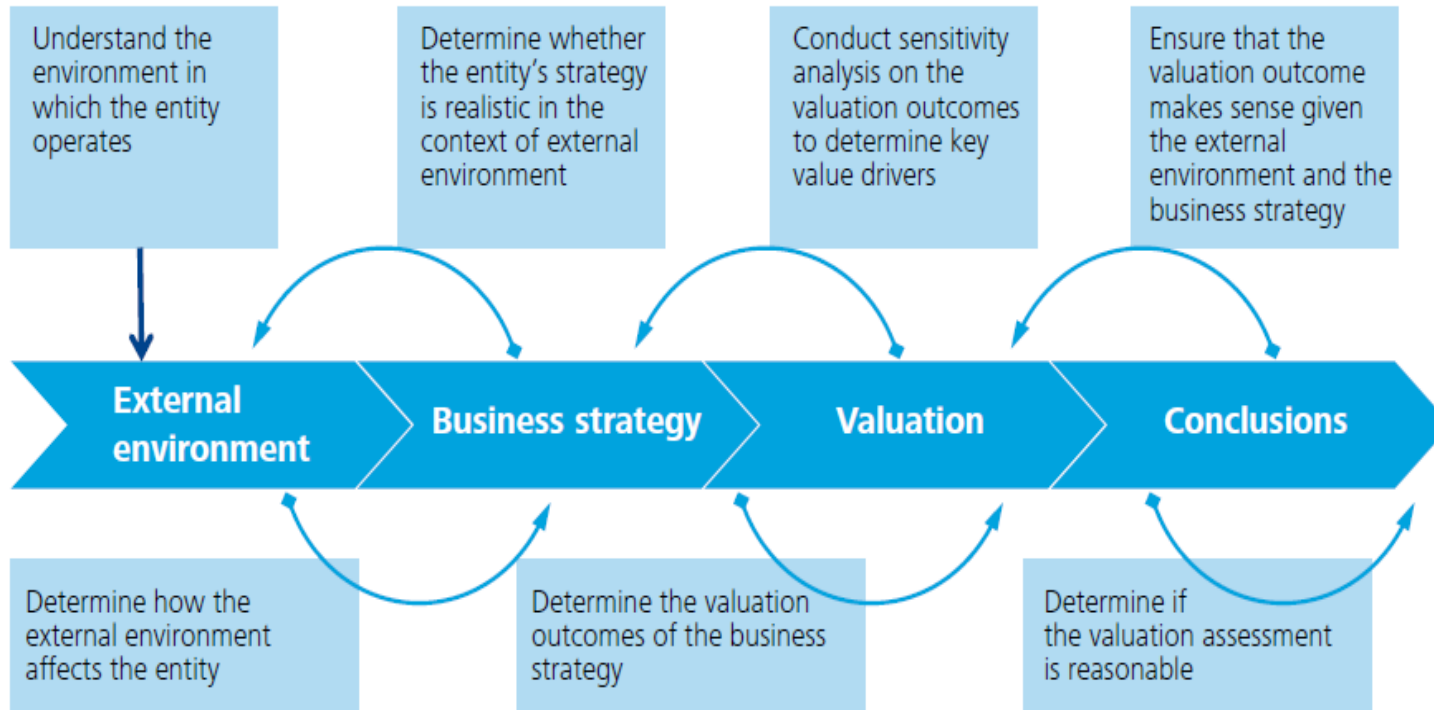


**Valuations**

Valuations

Business valuation is impacted by a multitude of factors such as the subject company’s industry, its stage of development and the source of the invested capital. Additionally, the variety of purposes for which business valuations are performed, the influence of local jurisdictional rules and available valuation methods have an impact on the valuation exercise.

*Our Methodology*



## Valuations (Contd.)

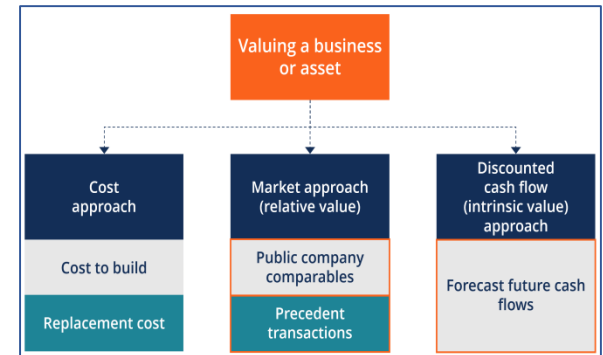
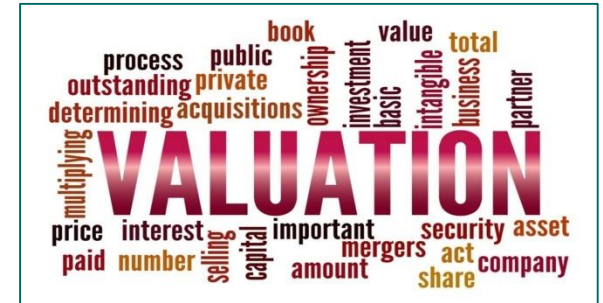
### Valuations (Contd.)

Business valuation requires a solid grasp of both how value has been created prior to the valuation date, and how it will continue to be created in the future.

The foundation of business valuation is the ability to understand how a company cultivates ideas or concepts and deploys its invested capital, aiming to drive returns in excess of its cost of capital. This understanding is important whether we are performing a valuation analysis for financial reporting, M&A, strategic planning, business restructuring, or dispute and litigation purposes.

The process of business valuation employs a variety of approaches or methods.

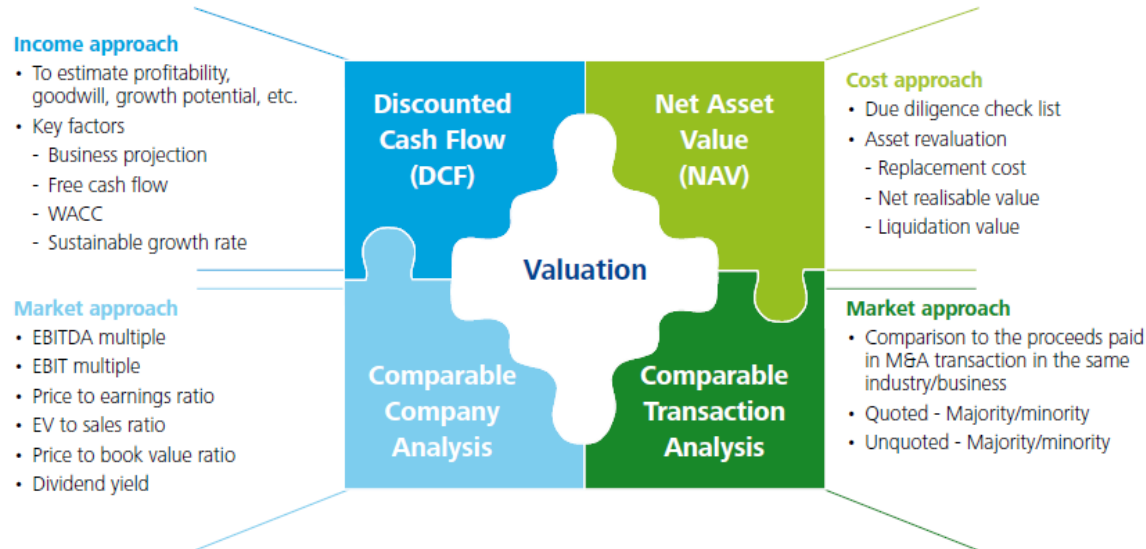
The most commonly used valuation methods include the cost, market, or income (DCF) approaches. While the cost approach may be applied on certain occasions, the income and market approaches are by far the most commonly utilized in business valuation. The income approach measures value based upon the present value of future cash flows of the business enterprise.



**Valuations  
(Contd.)**

The market approach relies upon the application of market multiples of comparable companies or comparable transactions to the subject company. The strength of a valuation lies in the ability to apply these tools in an effective and apt manner.

We tailor the scope of our business valuations to our client’s specific needs and the purpose of the engagement. When appropriate, our valuation report: provides an overview of the company, industry, economy; discusses value drivers; outlines the analysis performed, along with the inputs and assumptions; and incorporates detailed exhibits that support our valuation conclusion.



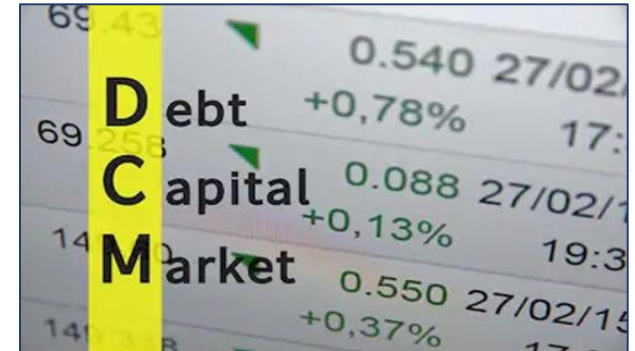
## SERVICES (Contd.)

### Debt Advisory

Bank financing is the most common form of business financing available to companies. Our advantage is our experience in arranging a various types of debt financings for our clients through a wide range of local, regional and international lending institutions.

We structure and arrange new financing (including term loans and working capital facilities) and also assist our clients in the refinancing of existing debt and credit facilities. We start by assisting our clients in developing a financing strategy, analyzing financing requirements, and determining optimal financing structure.

We have expertise across the full spectrum of debt financing transactions including plain vanilla bank debt, project finance, acquisition finance, real estate finance, and structured finance.



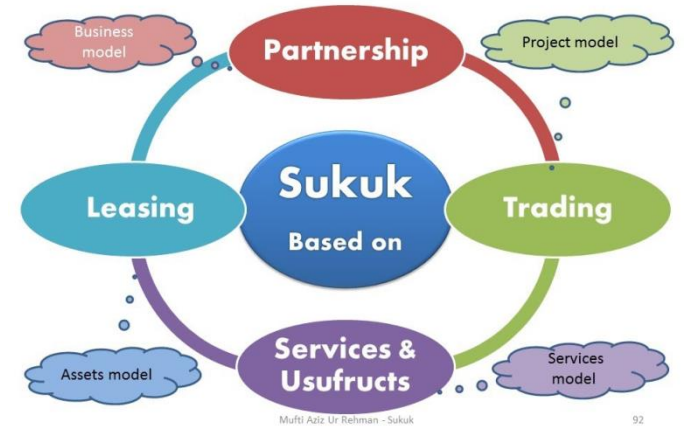
Debt	+0,78%	0.540	27/02/17
Capital	+0,13%	0.088	27/02/17
Market	+0,37%	0.550	27/02/17



The Scope of our services include:

- Financial analysis and modeling.
- Helping you determine an optimal debt structure.
- Drafting a compelling information memorandum.
- Locating the right institutional lenders.
- Assist in document preparation for submission.
- Appointing other advisors (lawyers etc.).
- Coordinating lender due diligence process.
- Evaluating and analyzing term sheets and loan documentation.
- Negotiating best possible terms including pricing, loan tenor, collateral structure, etc.

Structures / Models



# SERVICES (Contd.)

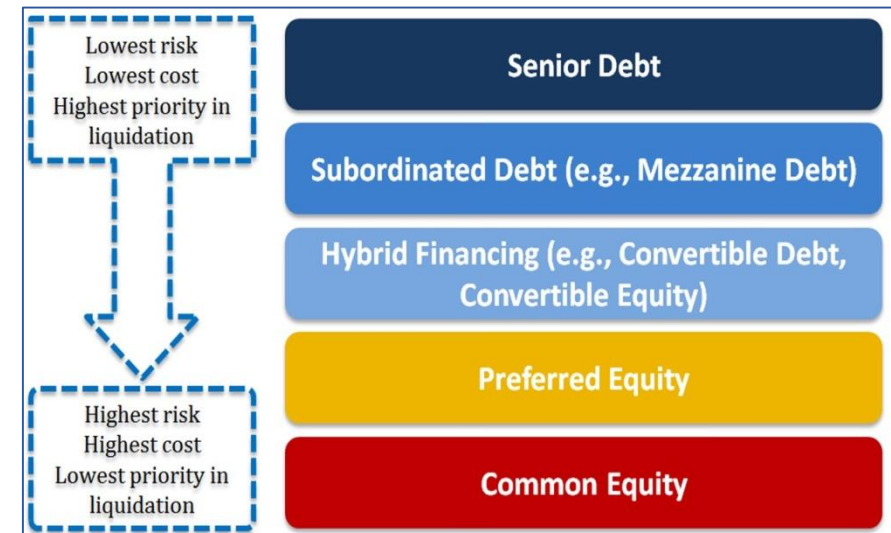
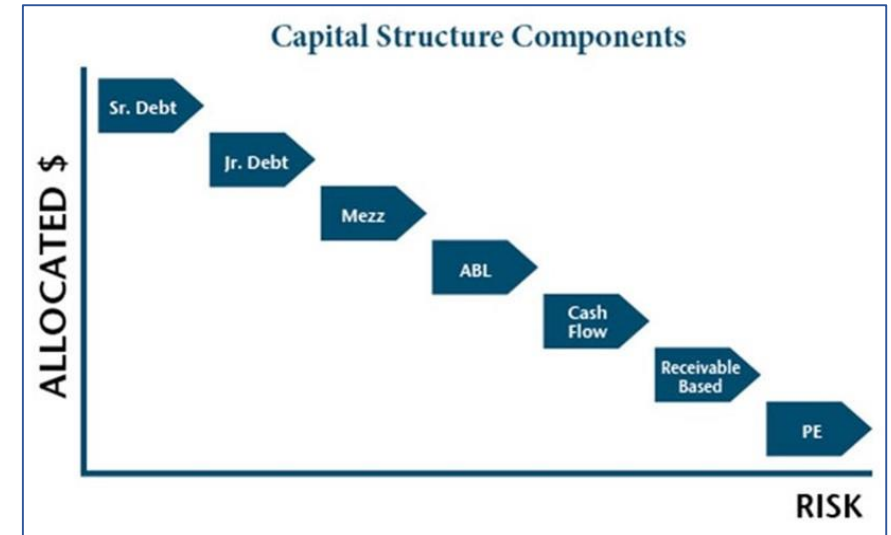
## Financing Advisory

By design, the capital structure reflects all of the firm’s equity and debt obligations. It shows each type of obligation as a slice of the stack. This stack is ranked by increasing risk, increasing cost, and decreasing priority in a liquidation event (e.g., bankruptcy). For large corporations, it typically consists of senior debt, subordinated debt, hybrid securities, preferred equity, and common equity.

Leveraging our team’s expertise on capital structure, capital formation and capital raising, we help tailor financing strategies to clients’ unique situations.

We advise corporates and financial institutions on their most critical financing decisions, including public offerings of equity and debt securities, including for purposes of acquisition financing, rights offerings, strategic alternatives for minority equity positions, and private placements.

We bring extensive experience of negotiating and structuring tailored solutions for our clients with no conflicts from other business activities or product offerings to influence our advice.





## Business Advisory

Our Business Advisory team develops and offers tailored, innovative and comprehensive solutions for specific business needs of our clients. The main objective of offering business advisory services is to bring more focus to the value proposition by delivering a broader range of advisory services and competencies.

### *Business Plans*

Whether your business is a startup, diversifying, consolidating, seeking tie-ups, foreign collaborations or franchise, or looking to raise capital, we can assist you in developing a compelling business plan using our thorough and holistic approach. We emphasize the integration of strategy and finance to incorporate all aspects of your business. A Business will typically include:

- Business model, products, and core competency.
- Market Assessment
- Business Strategy
- Marketing Plan; Organizational Plan; and Financial Plan (including financial projections)
- Implementation Plan
- Risk Identification and Mitigation Plan



## Business Advisory

(Contd.)

### *Feasibility Studies*

We can help your organization in defining the business requirements that must be met by the selected project(s) and include critical success factors. We help in identifying approaches that will meet business requirements, including comparative cost/benefit and risk analyses. Our role covers: analyzing macro and micro economic drivers, industry dynamics and trends ranging from market size to market growth, industry barriers, technology and regulatory changes; analyzing project technical needs; financial modeling, & evaluation of project economic and financial indicators to assess its viability.

#### Market Study

Provides detailed analysis of the relevant market as well as current and estimated supply and demand on the project services/products.

#### Technical Study

Provides technical details such as product specifications, assets, machinery and equipment, manpower, etc. that are required for the project establishment and operation, as well as the estimated organization structure.

#### Financial Study

Provides estimated project indicators and ratios, capital, financial statements, operation results, cash flows during throughout the projection period.



**Business  
Advisory  
(Contd.)**

## Business Advisory – Contd.

### *Strategy Consulting*

A business strategy is a set of competitive moves and actions that a business uses to attract customers, compete successfully, strengthening performance, and achieve organizational goals. It outlines how business should be carried out to reach the desired ends

We advise organizations on high-level decisions in an unbiased fashion, using deep industry knowledge to deliver the best results. The aim of our Strategy Consulting service is to help our clients address their key strategic issues, leveraging our financial, market, and industry expertise.



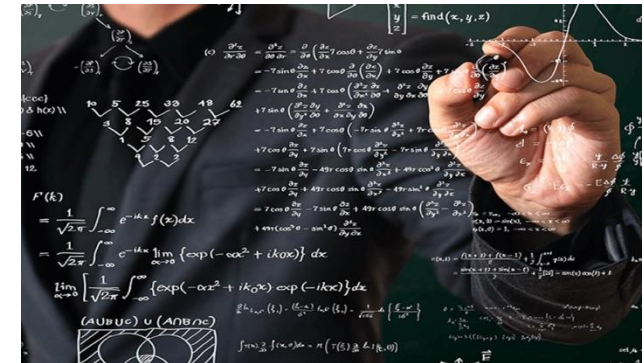
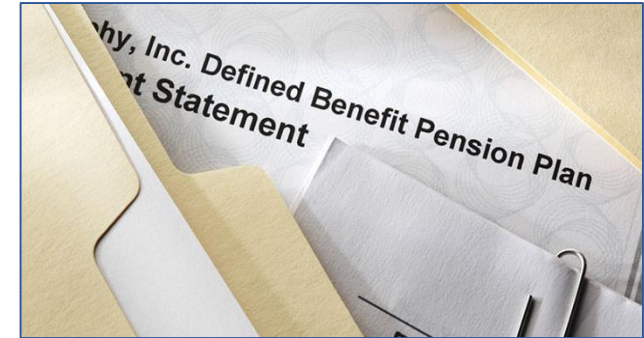
## Actuarial Valuations

### Actuarial Valuations

In the context of employee benefits, there are various reasons why you may need an actuarial valuation. The most common reason is to prepare year-end financial statements. The International Financial Reporting Standard 19 (IFRS 19) prescribes the accounting and disclosure for employee benefits. The Standard requires an entity to recognize: a liability when an employee has provided service in exchange for employee benefits to be paid in the future; and an expense when the entity consumes the economic benefit arising from service provided by an employee in exchange for employee benefits.

Defined benefit plans are classified as post-employment plans where the obligation of the entity is to provide the agreed benefits to current and former employees, usually based on some benefit formulas. Under benefit plans actuarial risk and investment risk fall, in substance, on the entity. If actuarial and investment experience is worse than expected, the entity's obligation may be increased.

We provide full range of actuarial services including actuarial valuation of gratuity, leave and pension plans.



### Our Clients

### Recent Relevant Assignments

Our clients included local, regional and international corporates, institutional investors, financial institutions and family offices.

#### Recently Completed Sample Assignments

In recent years, Caravan's team has completed the following assignments:

- Business Plan, Financial Model, Valuation, and Information Memorandum (for potential equity investors) for an internet services provider.
- A month-by-month cash flow model for a major contracting company (having more than 100 ongoing contracts) developed with the objective of enabling the company to implement better cash flow management.
- Financial Model and Valuation for a mining company. Also prepared a Virtual Data Room.
- Business Plan, Financial Model, Valuation, and Information Memorandum (for potential equity investors) for a Hajj & Umrah Operator.
- Feasibility Study for an upcoming Steel Billet Plant.
- Financial Model and Valuation of a Real Estate Company.
- Actuarial Valuation for End-of-Service Benefits under IAS 19 for a large conglomerate focused on the food, pharmaceuticals and retail sector.
- Valuation of a minority shareholding in an electro-mechanical contracting company.

### Our Clients

### Recent Relevant Assignments

(Contd.)

- Valuation of a majority shareholding in a retail stores chain.
- Company Valuation of a restaurant chain.
- Business Plan and Company Valuation of an electric goods manufacturing and distribution company.
- Transaction Structuring and valuation of a technology platform (including holding company and subsidiaries). *Ongoing*
- Actuarial Valuation for End-of-Service Benefits under IAS 19 for an investment holding company and its subsidiaries.

**Agha Mustafa Ali Khan**

*Managing Partner*

**CARAVAN FINANCIAL ADVISORS**

Unit No. E-16, Farooq Colony,

Walton Road, Cantt.,

Lahore. Pakistan

Phone: +92 322 400 6453

[www.caravanfinancial.com](http://www.caravanfinancial.com)

Email: [aghamustafa@caravanfinancial.com](mailto:aghamustafa@caravanfinancial.com)

[caravancapital@mail.com](mailto:caravancapital@mail.com)