

A Project - 'No Short Cut'

A Success Story of Iconic Strategic Investment

The Issue

- A client in the logistics and telecom engineering industry intended to diversify into product manufacturing and service support business.
- They were offered an investment opportunity consisting of 3 plots of land with factory facilities for on-going rental and contract manufacturing. While the rental yield was good, their subcontract business had been sluggish in face of competitions in the region and also lack of fund to automate for higher value-adds. A-ally was tasked to assess the offer in the interest of strategic investment.

A-ally's Approach

- Financial data of the seller was scrutinized in conjunction with a full review of the business running, so as to determine the causes of the lackluster results and prospects of turnaround/continuation. Valuations on land estates, improvements, brand equity and customer loyalty were also done against broad market surveys to establish yardstick for the pricing.
- Detailed financial engineering studies were provided on postulated scenarios of sell-off, staying put, upgrading to enhance value-adds and conversion to leasing. These were further supported by logical comparisons against strategic fit to the investor and taking into accounts of other considerations like investment climate and ambience of country/industry, technological trend and market competitions.

The Stellar Results

- The client appreciated the comprehensiveness and precision of the work, which they are able to confidently rely on to arrive at a quality decision on the opportunity offered.

For enquire, please contact user@aally-international.com.