

First Diligence - Overview

First Diligence is a boutique Financial Due Diligence firm helping Investors and Entrepreneurs



First Diligence

Who We Are?

A team of professionals with extensive deal experience in multiple facets. We have Quality of Earnings, "Big Four" Accounting, and Private Equity experience which allows us to perform diligence through multiple different lenses.

What We Provide?

Proof of Cash

Quality of Earnings 'Lite'

Financial Modeling

Valuation

What We Provide?

Proof of Cash

What it is?

- Reconciling reported financials to both the tax returns and bank statements

Why it's important?

- "Cash is King" - A Proof of Cash analysis will ensure that the business you're looking at is making the cash flow that they have reported in their financials

Who it's for?

- For smaller business acquisitions (<\$1mm), this may satisfy any lending requirements without having to do a Quality of Earnings. If you are comfortable with the financials and operations of the business, this is a great option

Quality of Earnings 'Lite'

What it is?

QoE 'Lite' provides an in-depth investigation into a company's reported financials, accounting practices, and deviations from U.S. GAAP Accounting

Sustainable EBITDA Analysis:

Identifying issues, red flags, and adjusting EBITDA to ensure deal valuation is fair and accurate

Net Working Capital Analysis:

Establish a baseline for working capital needed to operate the business

Debt & Debt-Like Item Analysis:

Analyze balance sheets and other metrics to discover what debt the business holds

AR/AP Aging Analysis:

Analyze company's receivables and payables to illustrate the sales cycle

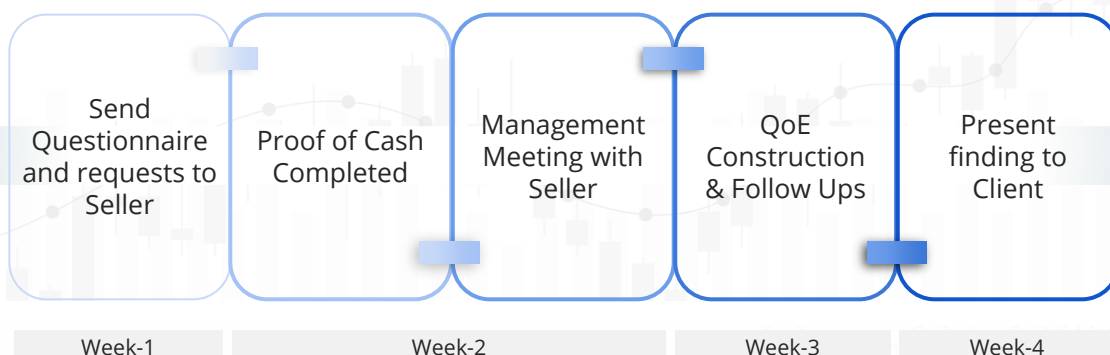
Why it is important:

- To get a holistic picture of the business and the underwritten valuation
- Provides a deep and accurate understanding of a company's **true earnings capacity** and ensures that reported financial performance aligns with its economic reality

Who it's for:

- For a business transaction between \$1mm-\$5mm where the client needs to acquire an SBA loan or other funding

Timeline



Financial Modeling

Through our experience, we are also able to assist in a plethora of areas on an hourly basis.



LBO Models



Growth Models



Forecasting



Pre-LOI Business/Deal Valuation

How We Help?

We Operate by the Four Ps':

- **Precise** – We provide thorough diligence in precisely the areas the client needs. We provide guidance and suggestions on what to scope out, but we never upsell and can fit most timelines
- **Prompt** – Our time to completion is second to none. We aim to finish our Proof of Cash analysis in less than one business week and our QoE 'Lite' in 3-4 weeks
- **Proactive** – We bring up questions and issues about the target as we find them, to avoid costing our client time and money. We also educate clients on the nuances of financial diligence throughout the process and how they can bring these up issues to the seller in a constructive manner to get to a solution
- **Price Effective** – We aim to provide the highest quality work in a cost-effective manner. We can flex our payment terms to fit our clients' needs. Proof of Cash & QoE Lite are flat fee so you know what you're paying from the very beginning