

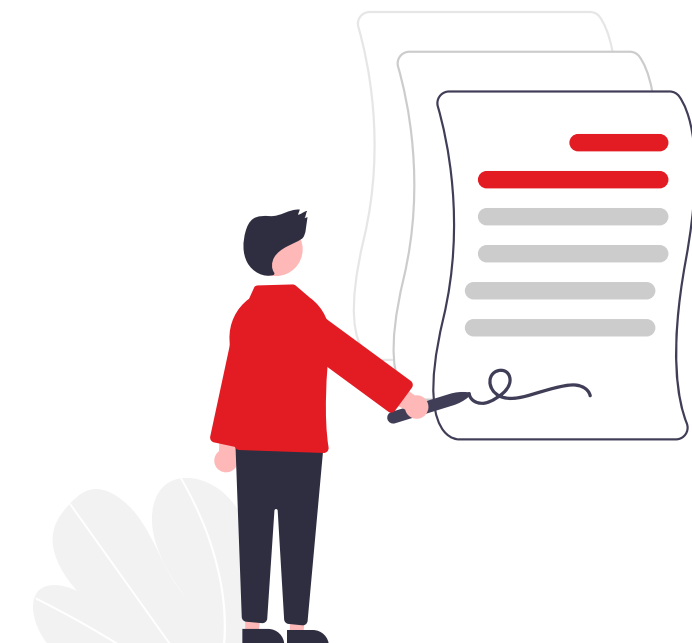
Proposing an optimal capital structure to maximize returns

Business Situation

- Our client wanted us to propose an optimal capital structure in order to realize the best value on an investment.
- The aim of the exercise was to assess the flexibility, profitability, solvency, conservatism, and control of the capital structure in the company.

SGA Support

- Examined the dual mode of financing and explored the relative advantages for each.
- Tried to understand if the firm's debt/equity ratio is lower or higher than other firms at the same industry and if the firm's current debt/equity ratio explained by the firm's financial policy or by the current market conditions.
- Presented the current business structure of the firm and analyzed the existing leverage, credit ratings, EBITDA levels, planned CaPex, and debt levels to determine the optimal capital structure.
- Performed sensitivity analysis with variations in relevant financial parameters including cash flow, interest rate, EBITDA, etc. to account for different scenarios.



To know more about our Investment Research Services write to us on investmentresearch@sganalytics.com or contact us on **+1 315 503 4760**