

# Report from Donnelley Financial Solutions and Mergermarket Finds Companies Who Choose to Conduct Sell-Side Due Diligence Have a Clear Advantage

January 11, 2017

NEW YORK--(BUSINESS WIRE)-- Companies who undertake sell-side due diligence reviews before going to market have a much better chance of impressing buyers, increasing their sale price and reducing the potential for delays or incidents during transactions according to a new report, *Due Diligence Roadmap: Excelling on the Sell Side*. This report, conducted by **Donnelley Financial Solutions** in conjunction with **Mergermarket**, is based on a survey of 50 senior global executives, from corporates to financial advisors.

Sell-side due diligence, which involves a seller reviewing their business' financial, organizational, and tax position, provides potential buyers with more detailed information about the company and its accounting and business practices, while at the same time providing the seller with insight into any value-critical issues that may arise. The final product is a high-quality report that lends credibility to the sell-side process.

Conducting sell-side due diligence is also cited as a way to attract a greater range of buyers and increase competition for the asset, which enhances valuation. According to a Director of Strategy at a European insurance company that made a US\$1bn+ divestiture last year, "It is both easier to approach different buyers and buyers show more interest when this process has been carried out."

While the process of sell-side due diligence is widespread, it turns out that it is far from universal, with about 37% of those surveyed not utilizing this procedure in every sales process. This may be due to the size of the asset being sold relative to the cost. However, for those who do choose to conduct sell-side diligence, the advantage is clear.

Key findings of this report include:

- 72% of companies indicated that their decision to conduct sell-side diligence began as early as when the decision to sell was made or when the Confidential Information Memorandum was being drafted.
- Sell-side due diligence was conducted in roughly 63% of all sale processes. Respondents believe the resulting high-quality sell-side review decreases errors and notes potential risks that could affect valuation and a deal's path to completion.
- Respondents cited the top benefits for sell-side diligence as the improved accuracy of historical and projected financial information (34%) and that risks and potential surprises are addressed early on in the deal (28%).

The complete report is available for download [here](#).

## About Donnelley Financial Solutions, Inc.

Donnelley Financial Solutions (NYSE: DFIN) provides software and services that enable clients to communicate with confidence in a complex regulatory environment. With 3,500 employees in 61 locations across 18 countries, we provide thousands of clients globally with innovative tools for content creation, management and distribution, as well as data analytics and multi-lingual localization services. Leveraging advanced technology, deep-domain expertise and 24/7 support, we deliver cost-effective solutions to meet the evolving needs of our clients. For more information about Donnelley Financial Solutions, visit [dfsco.com](http://dfsco.com).

## Use of Forward-Looking Statements

This news release may contain "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and the U.S. Private Securities Litigation Reform Act of 1995. Readers are cautioned not to place undue reliance on these forward-looking statements and any such forward-looking statements are qualified in their entirety by reference to the following cautionary statements. All forward-looking statements speak only as of the date of this news release and are based on current expectations and involve a number of assumptions, risks and uncertainties that could cause the actual results to differ materially from such forward-looking statements. Readers are strongly encouraged to read the full cautionary statements contained in Donnelley Financial Solutions' filings with the SEC. Donnelley Financial Solutions disclaims any obligation to update or revise any forward-looking statements.

## About Mergermarket

Mergermarket is a business development and market intelligence tool designed specifically for the M&A sector and provides proprietary

intelligence and analysis on corporate strategy across the world. With around 200 M&A journalists talking directly to senior executives, dealmakers and other key players in over 60 locations globally, Mergermarket reports on the whole deal life cycle, from mapping out companies' early stage strategic intentions to tracking deals before they develop and providing real-time news on live events, thereby creating a large window of opportunity. Subscribers can also mine for trends, patterns and deal ideas using Mergermarket's comprehensive deals database and regular data-driven editorial analysis and commentary. Visit [www.mergermarket.com](http://www.mergermarket.com) to learn more.

□

View source version on businesswire.com: <http://www.businesswire.com/news/home/20170111005262/en/>

Donnelley Financial Solutions

**Investor Contact:**

Dave Gardella

Chief Financial Officer

312.326.8155

[david.a.gardella@dfsco.com](mailto:david.a.gardella@dfsco.com)

or

Mergermarket

Chrissy Carney

Public Relations Director

Tel: (646) 378-3118

[Chrissy.carney@mergermarket.com](mailto:Chrissy.carney@mergermarket.com)

Source: Donnelley Financial Solutions

*Thank you for printing our content at [www.dfsco.com](http://www.dfsco.com)*