



Case Study: Financial Analytics

Client Description	The client is a multi-billion dollar publicly traded US based company. It provides software solutions to small businesses for managing their finance and accounting
Client's Requirement & Objectives	<ul style="list-style-type: none">▪ To conduct a comparative financial study of key players in the client's industry for three different segments: HR Outsourcing, HR Technology, and Staffing▪ The purpose was to understand the relationship between revenues and spread between Return on Invested Capital (ROIC) and Weighted Average Cost of Capital (WACC)
infoAnalytica's Approach	<ul style="list-style-type: none">▪ Understand the requirement▪ Conduct research to gather financial data▪ Calculate, analyze and establish the relationship between different financial data points▪ Value addition and suggestions
Solution	<ul style="list-style-type: none">▪ Gathered relevant financial data for 30 companies primarily (sources included publicly available financial statements and data)▪ Calculated market value of equity, enterprise value of the company, cost of equity and debt, WACC and ROIC.▪ Provided value creation spreads using different methods:<ul style="list-style-type: none">▪ Value creation for the equity holders▪ Value creation for the total capital investment
Key Deliverables	Plotted value creation graphs highlighting which companies have positive spreads v/s negative spreads Plotting bubble charts for revenue growth v/s spread using three methods: ROI, ROIC and equity spread
Value Proposition	The client gained insight into the financial performance of players in the three segments of its industry as well as valuable inputs that helped in gauging its position in the industry <i>vis-à-vis</i> its competitors