



“ Accurate due diligence is a vital part of selling a company or a shareholding. Drewry provided both the breadth of analysis and precision needed to assess the true value of the shareholding, and to satisfy potential bidders. ”

Grup Maritim TCB

Project

Group Maritim TCB (GMTCB, sell side due diligence)

Clients

Grup Maritim TCB

Grup TCB (GMTCB) is Spain's leading operator of port terminals. The company specialises in containerised as well as in general cargo handling at ports throughout Spain and in Cuba, Mexico and Brazil. New developments are also under way at Buenaventura (Colombia) and Nemrut Bay (Turkey). The group also offers services in the field of Engineering and Consultancy and manages terminals with rail links for containerised cargoes.

Deutsche Bank

Deutsche Bank is a leading global investment bank with over 80,000 employees worldwide. It is a leading German bank with a powerful financial franchise in Europe, North America, Asia and key emerging markets.

Objective

Deutsche Bank wanted to assess the value of its minority shareholding in GMTCB and needed independent analysis of the strength and performance of this business as part of the disposal of this shareholding.

The task

In July 2006, Drewry was commissioned to carry out a due diligence exercise as part of the sale of Deutsche Bank's minority stake in GMTCB. GMTCB and Deutsche Bank required Drewry to produce a detailed survey of the markets in which GMTCB operates, reviewing past trends, forecasting future growth and assessing the competition.

In addition, the Drewry team, headed by Neil Davidson, Director – Ports, needed to analyse the relative strengths and weaknesses of each terminal, the competition these terminals faced and the opportunities and threats.

A key part of this process was also to review and comment on management volume, revenue, opex and capex projections.

Procedure

Over two months, the project team carried out a detailed review of materials produced by GMTCB management analysing historic demand growth, market shares and competition in the container port markets of Spain, Brazil, Mexico and Cuba.

The resulting report also covered:

- Long term forecast for container demand growth for each of these markets
- Analysis of current and projected container port capacity for each market
- Critical review of and commentary on management's volume and revenue projections for their terminals in each of these markets
- Critical review of and commentary on management's opex and capex projections for each of their terminals applying independent benchmarks to evaluate opex and capex expenditure
- SWOT analysis
- Identification of potential upsides and downsides

Once the team had completed the report, they facilitated one-to-one sessions with bidders who were able to interrogate the findings.

The result

With Drewry's help, Deutsche Bank successfully sold its stake in GMTCB to two institutional investors.

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