

ICC CAPABILITIES: Due Diligence

Client references and specialist CV's available on request.



Due Diligence:

A due diligence study can be undertaken for a variety of reasons but predominantly it is required when a plant or part of a plant is sold and purchased by a third party. Typically due diligence study will encompass the following factors;

Technical:

- Raw material availability
- Benchmarking
- Level of technology
- Production qualities
- Alternative fuels
- Production output
- Plant manning
- Transport links
- Energy requirements
- Water requirements

Commercial:

- Sales (a market study may be required)
- Pricing
- Volumes
- Qualities

Financial:

- Cost model
- IRR
- EBITDA
- Tax considerations

Legal:

- Ownership
- Land and quarry
- Access rights
- Share holding
- Land ownership
- Quarrying rights
- Government and local authority agreements/ regulations
- Planning permission and any constraints
- Patents

Environmental:

- Water discharge
- Atmospheric releases
- Solid wastes
- Discharge approval/licensing
- Clean development mechanism

Other Considerations:

- Weather and climate constraints
- General Infrastructure

(Continued overleaf)



ICC Capability across Generations:

At the core of ICC's capability is the technical knowledge that has been passed from generation to generation of Internationally experienced Specialists. ICC offers a bespoke service and we have experience in augmenting an owner's team to provide technical knowledge or also offer the wider services required for due diligence activities. ICC offers the full range of technical services required for the due diligence for the purchase of a cement plant. Typically, ICC would work together with financial, legal and environmental consultants to evaluate a plant.

Business and Financial Modelling:

ICC is able to offer full operational cost modelling and liaise with financial and commercial consultants to produce a full financial model from raw materials through to finished product, taking into account product qualities, individual product volumes and sales prices.

Raw Materials Reserves:

As a cement plant requires a certain quality of limestone, one of the most important aspects is to assess the quarry limestone reserves, together with their quality.

Ownership of the limestone quarry should be determined in addition to investigation of any quarrying/mining licenses that are in place. These need to be verified in order to understand better the longer term prospects for a steady, supply of limestone.

ICC will also assess all secondary and additional raw materials.

In-house Data Base:

We use our in-house database of benchmarking information from various other plants from around the world to assess the plant technically and comment on any strengths and weaknesses.

Areas of particular importance to consider for assessment are;

Specific energy consumption

- ⚙ This heavily impacts on the cost of production. Our ICC Specialists can assess the potential for increasing the use of alternative fuels to help reduce production costs.

Environmental standards and compliance

- ⚙ ICC specialists are current on International standards for discharges and can assess the capital cost requirements of bringing a plant to compliance.

Reporting:

Our fully comprehensive report includes a structured review of the plant to cover all areas and will highlight any particular areas of concern.

