Case Study: Harava Group Inc Buy-Side Advisory — Acquisition of a Texas Home Healthcare Agency

Client Snapshot

Client Type	Strategic Buyer expanding regional home healthcare footprint
Target	Privately held Texas-based home healthcare provider
Transaction Type	Tuck-in acquisition
Industry	Healthcare Services / Home Health
Location	Texas, USA

Harava's Mandate

Harava Group was engaged to provide end-to-end buy-side advisory for the acquisition of a Texas home healthcare company. The buyer sought a fair valuation, risk-mitigated terms, and lender financing aligned with its capital structure.

Harava's services spanned valuation, negotiation, financing, due diligence, and closing coordination, ensuring a seamless transaction process.

Engagement Objectives

- Secure target at a fair price and acceptable commercial terms
- Validate historical and projected financial performance
- Obtain lender commitment with optimal financing terms
- Coordinate all third-party advisors for a timely close

Metric Snapshot

Financial Impact

- $500,000 purchase price reduction
- 100% financing commitment secured
- Lower monthly loan repayment amounts due to utilizing the real estate piece of the deal to amortize the loan over a longer number of years.
- Identified lender acceptable add backs to help business cashflow and meet lender debt service coverage ratio
- Helped buyer to acquire business with substantial equity

Transaction Efficiency

- 4 external specialists coordinated (legal, title company, clinical due diligence, tax advisors)
- 12-week due diligence-to-closing timeline
- 3 lender proposals evaluated and benchmarked

Value Delivered

- Independent valuation informed negotiation leverage

- Comprehensive due diligence package satisfied lender requirements
- Deal structuring – helped buyer identify SBA lender with favorable funding terms. Negotiated buyer proposed term sheet with lender to leverage real estate piece included in the deal.
- Transaction closed on schedule and within financing targets

Harava's Approach

1. Strategic Transaction Planning

Developed a tailored buy-side roadmap detailing LOI, due diligence, financing, and closing milestones. This provided visibility and accountability across all stakeholders.

2. Letter of Intent (LOI)

Crafted a clear, defensible LOI protecting buyer interests while maintaining competitiveness. Included key deal terms enabling efficient due diligence transition.

3. Business Valuation

Conducted an independent valuation leveraging:

- Revenue and EBITDA multiples
- Market comparable
- Adjusted cash flow normalization

Prepared a concise valuation report supporting both price negotiation and bank financing discussions. Verified compliance with Debt Service Coverage Ratio (DSCR) requirements.

4. Price Negotiation

Leveraged valuation insights to negotiate a $500K price reduction and secured improved terms on indemnities, holdbacks, and representations & warranties.

5. Financing Identification & Support

- Sourced a preferred lender aligned with transaction scale and borrower profile.
- Reviewed term sheets and commitment letters for covenant and rate optimization.
- Worked directly with bank's closing specialists to assemble documentation and achieve timely loan funding.

Harava Workflow

LOI Drafting → Valuation & Due Diligence → Lender Selection → Term Sheet Negotiation → Documentation & Closing

Harava led and coordinated each stage to ensure alignment, compliance, and financial readiness.

Challenges & Resolutions

Challenge	Harava Solution
Seller's initial asking price exceeded buyer valuation	Conducted independent valuation and used findings to justify and negotiate a $500,000 reduction
Compressed timeline and multiple advisors involved	Implemented a structured transaction roadmap with milestone tracking
Lender required comprehensive due diligence package	Harava coordinated accounting, tax, and clinical data to meet lender standards

Results & Impact

Outcomes	Results
Purchase Price Negotiation	$500,000 reduction achieved
Financing	Committed loan facility secured with favorable terms
Due Diligence	Completed within 8 weeks, meeting lender and closing deadlines
Closing	On-time and fully funded transaction
Strategic Outcome	Buyer expanded home health operations into new Texas market

Key Takeaways

- Holistic Advisory: Harava's integrated buy-side approach bridged valuation, finance, and execution.
- Tangible Value Creation: Direct financial savings and optimized financing structure.
- Execution Certainty: Transaction completed smoothly within target timeframe.

Highlights

- $500,000 Savings in Negotiated Price
- 12 Weeks from LOI to Closing
- 100% Lender-Financed Acquisition
- 4 External Advisors Managed Seamlessly
- Substantial equity for buyer upon acquisition

Harava Group delivers precision, strategy, and execution excellence in every transaction.