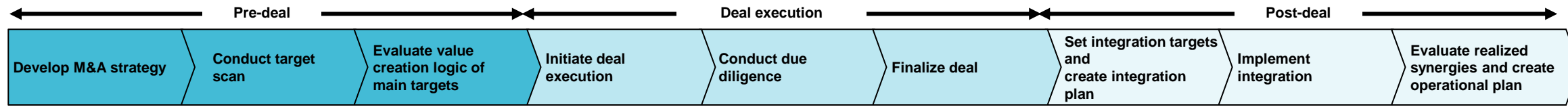


Professional M&A follows a clear process of pre-deal, deal-execution and post merger integration (PMI) activities

The tasks and deliverables of the M&A process



	Pre-deal			Deal execution			Post-deal		
	Develop M&A strategy	Conduct target scan	Evaluate value creation logic of main targets	Initiate deal execution	Conduct due diligence	Finalize deal	Set integration targets and create integration plan	Implement integration	Evaluate realized synergies and create operational plan
Objectives	Setting the company's direction in terms of inorganic expansion	Identifying the most attractive acquisition targets	Understanding the total value creation potential of the main targets	Verifying the availability of the acquisition target	Confirming the assumptions made in the target scan and value creation evaluation	Execute the deal	Defining the integration actions to achieve the synergies assumed in the pre-deal phase	Implementing the integration plan	Concluding the lessons learned and identify further development points
Tasks	<ul style="list-style-type: none"> Assess strategic needs and gaps relative to current business Determine where and how acquisitions may complete the gaps 	<ul style="list-style-type: none"> Identify potential sources of synergy Build business cases Evaluate and prioritize specific candidates Conduct preliminary valuations using EBITDA multiples from benchmark acquisitions 	<ul style="list-style-type: none"> Evaluate synergies and conduct a detailed DCF-valuation Quantify 'as is' cash flows, synergies/integration costs Develop pro forma merger projections Determine 'outside in' preliminary valuation Conduct other valuation analyses Identify impact of alt. structures on value 	<ul style="list-style-type: none"> Assess value to the seller and develop understanding of seller circumstances Identify social/control issues and prepare options Identify other interested parties and assess likely bid strategies Develop a suitable price range 	<ul style="list-style-type: none"> Identify key value driver items and risks to confirm Define DD request list and agree on process/team Conduct site visits Review and synthesize responses Assess impact of DD to value/transaction structure Identify potential integration issues Revise bid Raise/secure financing 	<ul style="list-style-type: none"> Conduct negotiations Obtain board approval and Fairness Opinion Change of Control (Legal Close) 	<ul style="list-style-type: none"> Integration team charters, team kick-offs 	<ul style="list-style-type: none"> Customer and supplier management Personnel and cultural adaptation management Organization and command chain clarification Finalizing/approving integration plans Financial follow-up and risk mitigation processes start 	<ul style="list-style-type: none"> Implementation and follow-up of integration team plans Follow-up of financial and operative targets Corrective actions as needed Testing of processes and systems Transition to business as usual
Deliverables	Defined roles and objectives of M&A in different business areas and geographies	Market scan resulting the most attractive acquisition targets, case studies	A detailed DCF valuation containing the synergy value creation potential	Letter of intent	Due diligence report and a refined DCF valuation	Share purchase agreement	Integration plan (contents) Integration ladder		Post-merger integration audit
Team structure	Management	Management, analysts	Financial analysts, management	Management	Task force: financial analysts, subject matter experts	Management	Integration program manager, management, stream leads	Integration program manager, management, stream leads, op. staff	Task force: financial analysts
Timeframe	Iterative, continuous	1-2 months	1-2 months	Depends on case	1-4 weeks	Depends on case	1 month	Depends on case	1 month