

Delivering Benefits from Mergers & Acquisitions

John Berney
CIO Plus Limited

Why Acquire?

Tend to Succeed

- Acquire brand, technology etc...
- Reduced cost to enter market
- Reduced time to enter market
- Better access to distribution chain
- Critical mass in new market
- Genuine synergies
- Improve asset performance

Tend to Fail

- Diversification
- Utilise marketing experience
- Extensive scope for synergy
- Market is undervaluing target
- To prevent someone else
- Spread risk
- Favourable exchange rate
- Become a billion £ business
- The City will like it

Whatever the Reason do it for the Right One

Whatever the Right Reason Make Sure it Enhances Shareholder Value

Due Diligence

- Financial
- Legal
- Commercial
- Environmental
- Management & Culture
- IT
- Operational
- Patent
- Tax

Ensure Departmental Agreement to Synergies

Hone Bid & Revise Integration Plan

What to do with an Acquisition?

Integrate

Harvest Synergies

What Synergies?

	Planned	Achieved
• Revenue	57%	30%
• Cost	58%	60%

Cost Savings are Easier and Quicker to Achieve

Overheads are Easier to Reduce than Direct Costs

Summary

- Have a Strategy
- Plan for Acquisition and Integration
- Due Diligence
- Revise Plan
- Hone Bid
- Communicate
- Integrate