Private Equity Offer

Acquisition strategy / Due diligence / Post merger

CH
&Co.

Focus on CH&Co service offering for Private Equity firms

We work alongside Private Equity investors to develop the right investment thesis and enhance deal flow by profiling industries, screening targets and devising a plan to approach targets

Sector analysis

- Define the sectorial strategy (i.e.) attractiveness, growth, ease of entry, competitiveness and acquisition opportunities)
- Create sector «heat maps» that enable to focus on the most promising segments and geographies
- Translate observed sectorial trends and dynamics into investment themes
- Exploit investment opportunities by building a network of industry insiders / experts

Identify the best market opportunities

Deal generation & Due diligence

- Help clients flesh out their investment thesis of how a proposed deal will make money
- Work with clients to test the investment thesis by concentrating on the key issues that will determine the deal's ultimate success
- Combine fieldwork interviewing customers, suppliers and competitors with sophisticated financial analysis to build a proprietary understanding of the investment's true cash flow potential

Exit strategy

Portfolio value creation

- Develop an agenda for creating value
- Identify highest priorities first, such as new product introductions, salesforce productivity and integration of add-on acquisitions (build-ups)
- Provide a structured, interactive forum for sponsors and managers to develop a value-creation plan
- Identify the most attractive growth opportunities and put the company on the right path to achieve them

Identify the business's full potential and create a program to capture it

Exit strategy

- Evaluate the optimal exit approach (i.e. IPO, ICO, a merger with a strategic acquirer, a sale to new private equity owners or a management-led leveraged buyout)
- Prepare the selling documents to facilitate Due Diligence
- Pre-qualifying buyers and customizing the sales approach, anticipate their needs, concerns and capabilities and how best to address them

Define your exit strategy

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Focus on the Strategic & Commercial Due Diligence process

Appraising the fundamental attractiveness and risks of a target for a strategic investor or a PE firm

	Key questions / methodology	Key success factors
1 Market assessment and competitive review	› What are the **size, risks and growth rate** of the underlying market(s)? › Which **key trends/drivers** will shape the market in the coming years? › **Is the target company's performance** in line with market dynamics? › What is the **target's positioning & market share** relative to its competitors?	✓ Split market analysis by product segment or division ✓ Blind interviews with experts, distributors, competitors ✓ Key opportunities, threats and entry barriers identification
2 Customer, supplier and internal strength study	› How healthy is **the target's supplier / customer base**? How loyal are they? What about the distribution channels? › What are the true company **capabilities** that drive profitability across products and customer segments? › How strong is the target's **management team**? Key skills? How dependent are the earnings on the existing management?	✓ Interviews with: management, customers (current + former ones) and suppliers, key staff, IT, operations ✓ Key strengths and weaknesses assessment
3 Valuation, scenario / sensitivity analysis	› Is the **business plan** realistic and sustainable? Are the existing capabilities / organization able to support the future strategy? › Are there any **cost-saving opportunities**? › What are the **baseline, downside and upside scenarios** for the activity? › What is the investment's realistic **cash flow potential**?	✓ Interviews with: management, customers (current + former ones) and suppliers, key staff, IT, operations ✓ Key strengths and weaknesses assessment
4 Post-merger value creation, synergies and exit options	› What are **the improvement paths** that the target could follow to foster sales, drive higher growth and reduce costs? › Are there potential **synergies** with existing portfolio companies? › Who are the **potential buyers** who could be interested in acquiring the company in 4-5 years (corporates, financial sponsors…)?	✓ Elaboration of the value creation agenda ✓ Identification and analysis of the key issues according to the PE client's investment thesis and concerns (IT, investments…)

CH &Co.

The key streams of our Acquisitions & Post Merger Integration practice

CH&Co. offers to clients a disciplined M&A approach to deal-making and brings expertise to all elements of the deal value chain

Deal chain value

Deal origination — Bid process — Deal negotiation — Deal closing — Post-acquisition

Acquisition strategy

- Decide where to invest and where to divest in line with your corporate strategy
- Prioritize growth opportunities and develop tailored M&A programs based on previous experiences
- Develop an investment thesis that is aligned with your strategy and growth opportunities

Assist your company build its m&a program as a vector of growth strategy

Strategic & Commercial Due Diligence

- Ask the "key questions" to confirm and clarify your investment thesis
- Determine the target's standalone value based on a rigorous understanding of cash flows components and generators
- Assess realistic synergies
- Build a strong momentum to unlock integration value quickly

Confirm that your company is making the best investment decisions

Acquisition strategy

- Align the company integration thesis with the deal thesis
- Assess the feasibility of integration project plans, benchmarks and timetables
- Nail down the short list of critical actions that drive value to deliver on your deal thesis
- Ensure rigorous execution on the long list of integration tasks that deals require

Align your integration process with your deal type and your deal thesis to make your deal a success

Geneva

London

Paris

Niort

Budapest

New York

Montreal

Hong Kong

Singapore

Frankfurt

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