M&A

Advisory Services

M&C | Mauritz & Company

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2. Mauritz & Company – Brief Introduction.

Mauritz & Company is an independent advisory firm that provides creative strategic and financial advice to senior management teams, company boards and owners.

Our advice focuses on two related specialist areas: Market Entry Advisory Services and M&A Advisory Services.

Market Entry Advisory Services focus on business development advice to companies that plan to grow, expand or relocate their business.

M&A Advisory Services offer advice related to mergers & acquisitions of small to medium-sized companies.

In all our markets, we combine local staff and experts with international professionals and specialists (with global experience) to make our clients' effort successful and efficient.

3. M&A Advisory Services.

We advise domestic and international companies with individually tailored M&A advice and assist them to accomplish their goals in Central & Eastern Europe.

We structure, execute and evaluate mergers & acquisitions, joint ventures, strategic alliances, greenfield investments and divestitures in various industries and countries.

We have successful track records of managing all aspects of complex investment projects, working on a large number of industry, commercial and infrastructure projects.

We select sector specialists and industry experts to support transactions.

Our services cover all phases of an M&A process; from buyer and seller pre-deal support through to completion and post-deal integration.

DIVESTMENT/DIVESTITURE

"SELLING A BUSINESS"

4. Factors Leading to a Sale Decision.

There are a number of different reasons why a company or shareholder may choose to sell all or a part of their business. The following are some of the key factors that might lead to a decision to sell:

Liquidity. A company (or the owner) is interested in generating liquidity. This situation can arise when an owner is seeking to exit the business or if the company needs resources for other investments.

Industry Indicators. Some companies choose to sell when the industry is "hot" and valuation multiples are high. A sale may be attractive when an industry is consolidating or when overall industry prospects are positive.

Succession. Private middle market companies may not have a defined transition or succession plan for the business when the current owner seeks to exit the business (particularly relevant with family-run businesses).

Non-Core Assets. For a company that has grown or has changed its strategy, there may be one or several components of the company that are no longer considered to be of strategic value. In order to focus on and invest in the company's core business, the company may choose to divest its non-core assets.

Re-capitalisation. A company may seek to recapitalise its ownership structure to attract outside investors or take out existing shareholders.

Diversification. A shareholder may desire to diversify his or her personal asset holdings when the value of a business represents a significant portion of total net worth.

5. Sell-Side Advisory Services.

The sale of a company is a special and unique situation for most entrepreneurs and shareholders. A discreet and personal approach is therefore an essential prerequisite for ensuring a successful sale. This success is defined by the individual interests of our clients', which may for instance consist in maximising the selling price, ensuring the future existence of the company, or quickly executing the sales contract.

As part of a sales assignment Mauritz & Company provide the following services:

- Development of the sales strategy.
- Discussion and definition of the selling criteria and objectives.
- Company analysis and information, preparation of the sales outline and necessary sales documents.
- Calculation of the company value and the offer price.
- Definition of the target groups and market research to identify potential buyers (acquirers).
- Confidential approach of potential buyers (acquirers).
- Organising and conducting the negotiations in close cooperation with the client, coordination of the whole negotiating and selling process.
- Providing legal and tax advice during the preparation of the contracts involving external lawyers, auditors and tax advisors.

5. Sell-Side Advisory Services, continued.

Mauritz & Company can assist you in evaluating your options as you seek to maximise the value of your business with the assistance of a professional financial adviser at your side.

The close cooperation with the client will ensure that the owner's personal objectives in selling the company are duly taken care of and the best possible negotiating position for our client will be established.

In carefully weighing the interests of our client, we are striving for the optimal balance between the selling price, the security of the agreement, a minimum of taxation and the matching takeover structures.

As your adviser we would assist you through the whole selling process and keep the information flow with potential buyers (acquirers) on a daily basis.

Only competent and highly motivated consultants who participate personally in the success of the project will accompany and advise our clients from the moment the first contact is established until the transaction is finally closed.

6. The Sales & Divestiture Process: Overview.

Planning & Preparation

- Formulate sales strategy.
- Valuation & Pricing.
- Target list of potential acquirers.
- Prepare marketing materials (incl. offering memorandum with relevant facts and figures) for distribution to potential acquirers.

Marketing & Initial Contacts

- Contact potential acquirers.
- Sign confidentiality agreements.
- Distribute marketing materials to interested potential acquirers.
- Receive indications of interest.

Meetings & Presentations

- Evaluate initial indications of interest.
- Conduct meetings with potential acquirers.
- Receive letters of intent.

Negotiation & Closing

- Negotiate final terms and conditions.
- Prepare for final due diligence.
- Facilitate final legal documentation and closing.

There are several distinct stages during the sales and divestiture process. The timing of each phase depends on the selling strategy, the characteristics of the company, the deal process, and the market conditions prevailing at the time of the transaction. On average a typical process ranges from six to nine months.

Clients' to-do list (examples of sell-side considerations):

- Selling objectives and goals?
- Pre-deal conditions? (selling price, ownership structure, other)
- Financial reports and legal, tax and litigation issues in order?
- Devote the people and time needed to be involved through the whole process!
- Own list of potential acquirers?

- Wish to be anonymous in the first marketing step?
- Approve and reject companies on the list of potential acquirers.

- Review initial interests.
- Approve and reject offers.
- Select the most "promising" potential acquirers.
- Good or bad "gut feeling" about any of the potential acquirers?
- "Sell/No-sell" decision.

- Ready to sell?
- Decide a selling price range including the absolute minimum price.

ACQUISITION

"BUYING A BUSINESS"

7. Reasons for Making an Acquisition.

The acquisition of a company is a step towards the realisation of a business or personal objective, such as to:

- Strengthen the market position by external growth, both at home or abroad.
- Utilize all existing capacities.
- Expand into neighbouring product/market segments.
- Better diversify the risks.
- Secure new technologies.
- Become a company owner, an entrepreneur through an MBO/MBI.

Depending on the criteria defined for the acquisition and the time scheduled for making the acquisition, the client interested in buying a company should determine its acquisition strategy. It is necessary to develop a conclusive acquisition strategy in order to successfully execute a company acquisition. A passive strategy is sufficient if the acquisition criteria are widespread and time is not of the essence for achieving the objective. An active strategy is necessary if the market segment or the product range, in which the acquisition is to be made, is specified and time is of the essence.

8. Buy-Side Advisory Services.

Mauritz & Company's services cover all phases of an acquisition process. When being commissioned with an acquisition, we offer the following services to our clients' and support them in implementing their objectives:

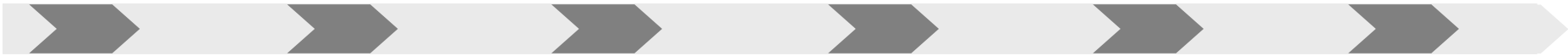
- Definition of the acquisition criteria and analysis of the objectives.
- A complete selection of the candidates (target companies) on the basis of defined criteria's.
- Establishing confidential and personal contacts.
- Analysis of candidates (target companies).
- Assessment of an appropriate purchasing price.
- The development of negotiation strategies and the conduct of negotiations.
- Preparation of contracts involving external legal advisers.

The complete assistance in a strategic acquisition we provide ranges from the market research and the definition of targets right up to conducting the negotiations, so that the success of a later integration is ensured. This is the only way to actually benefit from the intended synergy effects.

9. The Acquisition Process: Overview.

Identification & Preparation	Planning & Structuring	Strategic Evaluation	Financial Evaluation	Due Diligence	Negotiation, Bidding & Closing
• Market research. • Finding/Screening potential companies to acquire (Targets). • Facts and figures. • Preliminary Target list.	• Selecting the project team members with right background and expertise. • Target meetings. • Find out available Targets? • Develop Short-list. • Deal structure.	• Advantages and disadvantages of this investment. • Competitive advantages? • Synergies and strategic fit? • Benefits?	• Confidentiality agreement. • Financial data. • Financial analysis. • Risk analysis. • Valuation & Pricing. • Letter of Intent. • Pre-deal conditions (purchase price?).	• Due diligence (legal, financial, tax, accounting, market, HR, environmental, engineering, etc.). • Involve sector and industry experts. • Risk allocation. • Legal documents to be prepared.	• Revaluation after due diligence findings? • Acquisition agreement.

Implementation & Integration



Clients' to-do list (examples of buy-side considerations):

• Investment objectives and goals? • Target criteria definition. • Devote the people and time needed to be involved through the whole process! • Wish to be anonymous? • Own Target list?	• Required return? • Expected investment cost? • Approve/reject companies on the short-list. • Accepted ownership/ management control/ structure?	• Is this what you are looking for? • What value will you add to/get from Targets? • Good "gut feeling"? • Select one or a few "Hot" Targets. • "Go/No-go" decision.	• Own financial and risk profiles. • Contribute with market knowledge, forecasts and specific industry data and projections. • Review. Approve/reject. • Initial investment decision and price.	• Want to use own industry experts and other professionals? • Implementation plan. • Plan & appoint management resources. • Financing plan.	• Ready to make the final offer? • Approve a price range and the "walk-away"-price. • Financial agreements. • "The Morning After"- plan.

This is a simplified overview, we view M&A as a coordinated process, rather than as a series of separate, sequential steps.

REFERENCES

10. Selected References (1).

M&C MAURITZ & COMPANY

Energy & Utilities
Czech Republic

VATTENFALL

Vattenfall AB,
Sweden

M&A

M&C MAURITZ & COMPANY

Services & Consulting
Czech Republic

VÄSTSVENSKA INDUSTRI- OCH HANDELSKAMMAREN

W. Sweden Chamber
of Commerce, Sweden

Advisory Services

M&C MAURITZ & COMPANY

Construction
Czech Republic

SKANSKA

SKANSKA,
Sweden

M&A

M&C MAURITZ & COMPANY

Energy & Utilities
Czech Republic

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enercom

EnerCom,
United Kingdom

Advisory Services

M&C MAURITZ & COMPANY

Travel & Tourism
Czech Republic

Weco-Travel
GLOBAL TRAVEL MANAGEMENT

Weco Travel,
Denmark

M&A Advisory

M&C MAURITZ & COMPANY

IT Services
Czech Republic

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your SYSTEM

Your System,
Czech Republic

M&A

M&C MAURITZ & COMPANY

Steel & Machinery
Czech Republic

VÍTKOVICE

Vítkovice Holding,
Czech Republic

M&A

M&C MAURITZ & COMPANY

Banking & Finance
Czech Republic

ING

ING,
Czech Republic

M&A

M&C MAURITZ & COMPANY

Energy & Utilities
Czech Republic

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e·on

E-on,
Germany

M&A

M&C MAURITZ & COMPANY

Energy & Utilities
Czech Republic

WÄRTSILÄ

Wärtsila,
Finland

Advisory

10. Selected References (2).

M&C MAURITZ & COMPANY

Energy & Utilities
CEE Region

ČEZ,
Czech Republic

M&A

M&C MAURITZ & COMPANY

Textile Industry
Czech Republic

Hejco,
Sweden

Advisory

M&C MAURITZ & COMPANY

Energy & Utilities
CEE Region

Fortum Power & Heat,
Finland

M&A

M&C MAURITZ & COMPANY

Pulp & Paper
Czech Republic

Assi Domän,
Sweden

M&A

M&C MAURITZ & COMPANY

Energy & Utilities
Czech Republic

Metrima,
Sweden

Advisory

M&C MAURITZ & COMPANY

Energy & Utilities
Czech Republic

International Power,
UK

Advisory

M&C MAURITZ & COMPANY

Telecommunication
Czech Republic

Senea,
Sweden

Advisory

M&C MAURITZ & COMPANY

Banking & Finance
Czech Republic

Commerzbank,
Germany

M&A Advisory

M&C MAURITZ & COMPANY

Automobile
Czech Republic

Delloyd Ventures
Berhad, Malaysia

M&A Advisory

M&C MAURITZ & COMPANY

Pharmaceuticals
Czech Republic

Jubilant,
India

M&A Advisory

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M&C MAURITZ & COMPANY

Energy & Utilities
Czech Republic

Škoda Holding,
Czech Republic

M&A

M&C MAURITZ & COMPANY

Wood Industry
Czech Republic

Dřevo a Dýhy,
Czech Republic

M&A

M&C MAURITZ & COMPANY

Food & Beverages
Czech Republic

Vin & Sprit,
Sweden

Advisory Services

M&C MAURITZ & COMPANY

Services & Consulting
Czech Republic

BIC,
Czech Republic

Advisory Services

M&C MAURITZ & COMPANY

Construction
Czech Republic

Acciona,
Spain

Advisory

M&C MAURITZ & COMPANY

Construction
Czech Republic

PSJ Holding,
Czech Republic

Advisory

M&C MAURITZ & COMPANY

Energy & Utilities
Czech Republic

EdF,
France

Advisory

M&C MAURITZ & COMPANY

Power & Automation
Czech Republic

ABB,
Sweden

M&A

M&C MAURITZ & COMPANY

Services & Consulting
Czech Republic

Capital Canada,
Canada

M&A Advisory

M&C MAURITZ & COMPANY

Banking & Finance
Czech Republic

Enterprise Investors,
Poland

Project Referral

10. Selected References (4).

Services & Consulting Czech Republic --- Avendus, India M&A Advisory	Pharmaceuticals Czech Republic --- Medicamenta, Czech Republic M&A	Banking & Finance Czech Republic --- 3TS Capital, Czech Republic Project Referral	Telecommunication Czech Republic --- Electra Star, Czech Republic M&A	Energy & Utilities Czech Republic --- NRG Energy, USA M&A
Oil Refinery Czech Republic --- Preem Petroleum, Sweden M&A	Wood Industry Czech Republic --- Bohmans, Sweden M&A	Energy & Utilities Czech Republic --- Kamstrup, Denmark Advisory	Construction Czech Republic --- Mostostal, Poland Advisory	Travel & Tourism Czech Republic --- InterContact, Czech Republic M&A

CONTACT

11. Contact Us.

Mauritz & Company's team of professionals has the experience and qualifications to assist you with the many issues and decisions you may face during the M&A process.

We welcome the opportunity to meet with you, learn more about your company's objectives, and discuss our experience and capabilities.

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MAURITZ & COMPANY

MARKET ENTRY ADVISORY SERVICES

- Providing a wide range of advisory services to companies that plan to grow, expand or relocate their business.
- Arranging all essential services that clients need - a complete, convenient, time and cost effective solution for clients.
- Preparing market entry studies, industry analysis and country reports.
- Finding local partners, suppliers, distributors and sales agents.

M&A ADVISORY SERVICES

- Mergers & acquisitions (M&A), joint ventures, strategic alliances and other types of investments and partnerships in various industries.
- Advising clients with individually tailored M&A advice and assisting them to accomplish their goals in Central & Eastern Europe.
- Searching and identifying M&A targets and investment opportunities.
- From buyer and seller pre-deal support through to completion and post-deal integration.
- Creative strategic and financial advice. Valuations and appraisals.

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