The process of a Divestment Project

- Initial Discussion
- Divestment Process presentation
1. Introduction to the Clients Situation - where they are!
2. Initial Conclusions & Recommendations for Divestment Project - why sell!
3. Trends in the Industry - why sell now!
4. Initial Assessment of Company / Business - what selling!
5. Indicative valuations of Company / Business - what’s the value!
6. Presentation of The Divestment Process (presentation follows)
7. Discussion on Next Steps - who sells!

Caption
Change Management
Organic & M&A
The Divestment Process

The Key Tasks in the Divestment Process
The Basic Divestment Alternatives
Trade Sale Alternatives
The Phases and Processes in the Controlled Auction
Key Steps in the The Information & Negotiation Process
Generic Time Table of the Divestment Process
The Key Tasks in the Divestment Process

Valuation of alternative approaches
- trade sale
- MBI / MBO
- IPO etc.

Solid analysis of industry and business
- key trends
- company assessment
- peer group valuations.

MAXIMIZING THE VALUES FOR THE PRESENT OWNERS

Management of the divestment process
- negotiation support
- time table / pressure

Alternative transaction / deal structures
- financing
- taxation
- implementation
The Basic Divestment Alternatives

**Structures**
- Whole Company sold
- Company split up in several pieces
- Share, asset or business transaction

**Approaches**
- Industrial buyer (trade sale)
- Financial buyer (investor, Venture Capitalist)
- MBO / MBI
- Initial Public Offering (IPO)

**Transactions**
- Straight sale
- Future Performance related pricing / earnouts
- Alliance / JV + option to sell / purchase etc.
- Milking and disposing
### The Key Trade Sale

#### Alternatives

<table>
<thead>
<tr>
<th>Potential buyers</th>
<th>1-3</th>
<th>2-5</th>
<th>4&gt;&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value maximization</td>
<td>V</td>
<td>VV</td>
<td>VVV</td>
</tr>
<tr>
<td>Time required</td>
<td>long</td>
<td>long</td>
<td>short</td>
</tr>
<tr>
<td>Management involvement</td>
<td>VVV</td>
<td>VVV</td>
<td>V</td>
</tr>
<tr>
<td>Potential info leaks</td>
<td>V</td>
<td>VV</td>
<td>VVV</td>
</tr>
</tbody>
</table>

---

**C A P T I U M**
Change Management
Organic & M&A

**SEPARATE NEGOTIATIONS**

**CONTROLLED AUCTION**
## The Phases of the Controlled Auction

<table>
<thead>
<tr>
<th>Key Steps</th>
<th>PREPARATIONS</th>
<th>BIDDINGS</th>
<th>FINALISTS</th>
<th>CLOSING</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Analysis of industry and business</td>
<td>Initial contacts with targets</td>
<td>Finalists access to dataroom</td>
<td>Negotiation on final transaction</td>
</tr>
<tr>
<td>2.</td>
<td>Target identification and selection</td>
<td>Road show / presentations</td>
<td>Business presentations</td>
<td>Buyers due diligence</td>
</tr>
<tr>
<td>3.</td>
<td>Company profile and investment memorandum</td>
<td>Confidentiality agreements and investment memorandum</td>
<td>Visits etc.</td>
<td>Resolving open issues</td>
</tr>
<tr>
<td>4.</td>
<td>Confidentiality agreements and invitation to auction</td>
<td>Timing for preliminary bids</td>
<td>Final bids</td>
<td>Review and agreement on takeover plan</td>
</tr>
<tr>
<td>5.</td>
<td>Preparation of data room</td>
<td></td>
<td>Second stage bids</td>
<td>Closing of transaction</td>
</tr>
<tr>
<td>6.</td>
<td>Proposed transaction structure</td>
<td></td>
<td>Selecting final buyer</td>
<td>Takeover</td>
</tr>
</tbody>
</table>

**CAPTIUM**  
Change Management  
Organic & M&A
The Key Processes in the Controlled Auction

Preparations
- Company Profile

Negotiation Process
- Indication of Interest
- Indicative Bids
- Final Bids / LOI
- Final Agreement

Discussions
- Investment Memorandum
- Data Room & Company Visits

Decisions
- Due Diligence

Information Process
- Preparations

Integrations
- Captium
  Change Management
  Organic & M&A
Key Steps in the Information and Negotiation Process

**Information Process**

- **Company Profile**
  - Short presentation to raise interest
  - Brief description of business

- **Investment Memorandum**
  - Full presentation as basis for valuation and indicative bid
  - All major relevant issues of business
  - Proposed transaction structure defined

- **Data Room & Company Visits**
  - Data room defined and prepared
  - Critical information as basis for memorandum

- **Due Diligence**
  - Business, legal, environmental due diligence carried out under supervision

**Negotiation Process**

- **Indication of Interest**
  - Active communication to raise interest
  - Confidentiality agreement for next stage

- **Indicative Bids**
  - Written indicative bids received
  - Unclarities etc. resolved
  - Assessment of bids and selection of finalists

- **Final Bids**
  - Written final bids received
  - Unclarities etc. resolved
  - A preferred bidder selected
  - Potential letter of interest for exclusivity

- **Final Agreement**

**Takeover and Integration Plans**
Generic Time Table of Divestment Process

WEEK >> 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18

KEY STEPS

PREPARATIONS BIDDING FINALISTS CLOSING

CAPT I U M
Change Management Organic & M&A