

The process of a Divestment Project

- ❖ *Initial Discussion*
- ❖ *Divestment Process presentation*



Initial Discussion

Discussion on the Divestment Process & Project

- 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!

The Divestment Process

GENERAL PRESENTATION

-  **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.*



**MAXIMIZING THE VALUES
FOR
THE PRESENT OWNERS**

Management of the divestment process

- *negotiation support*
- *time table / pressure*



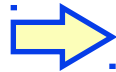
Alternative transaction / deal structures

- *financing*
- *taxation*
- *implementation*



Solid analysis of industry and business

- *key trends*
- *company assessment*
- *peer group valuations.*



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

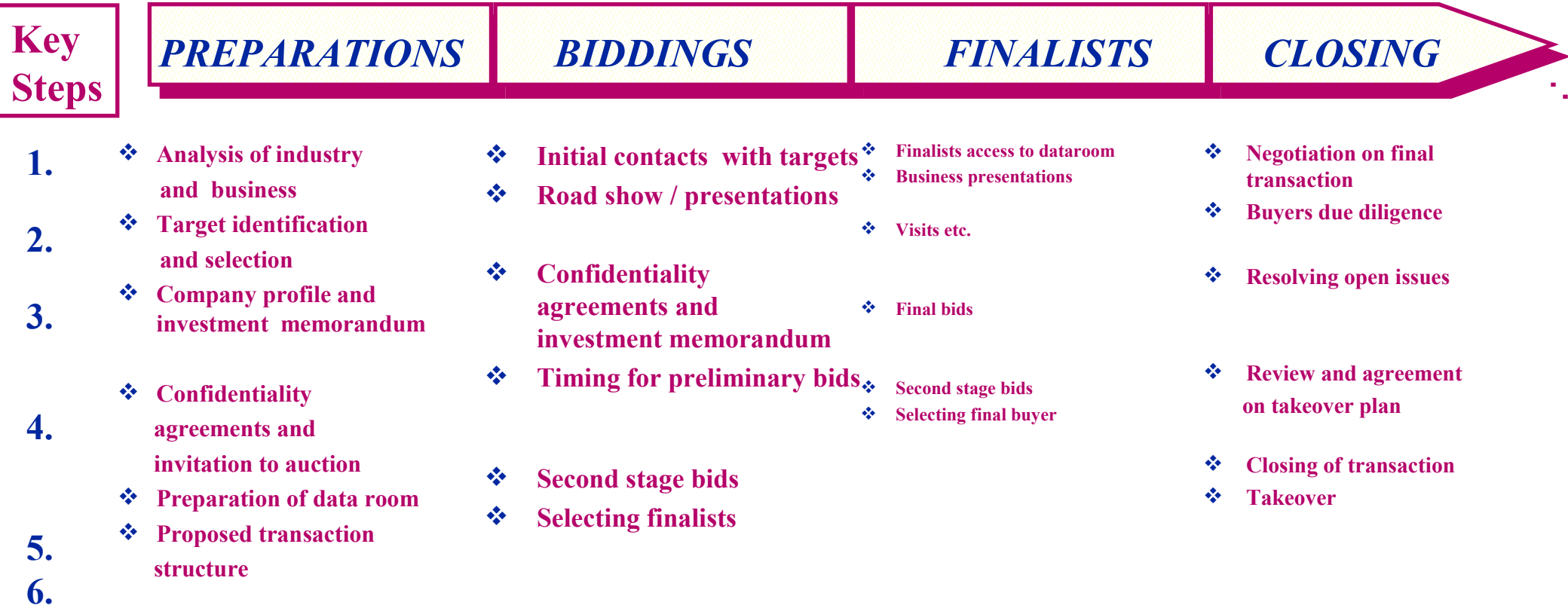
| | | | |
|-------------------------------|------|------|-------|
| <i>Potential buyers</i> | 1-3 | 2-5 | 4>> |
| <i>Value maximization</i> | V | VV | VVV |
| <i>Time required</i> | long | long | short |
| <i>Management involvement</i> | VVV | VVV | V |
| <i>Potential info leaks</i> | V | VV | VVV |



*SEPARATE
NEGOTIATIONS*

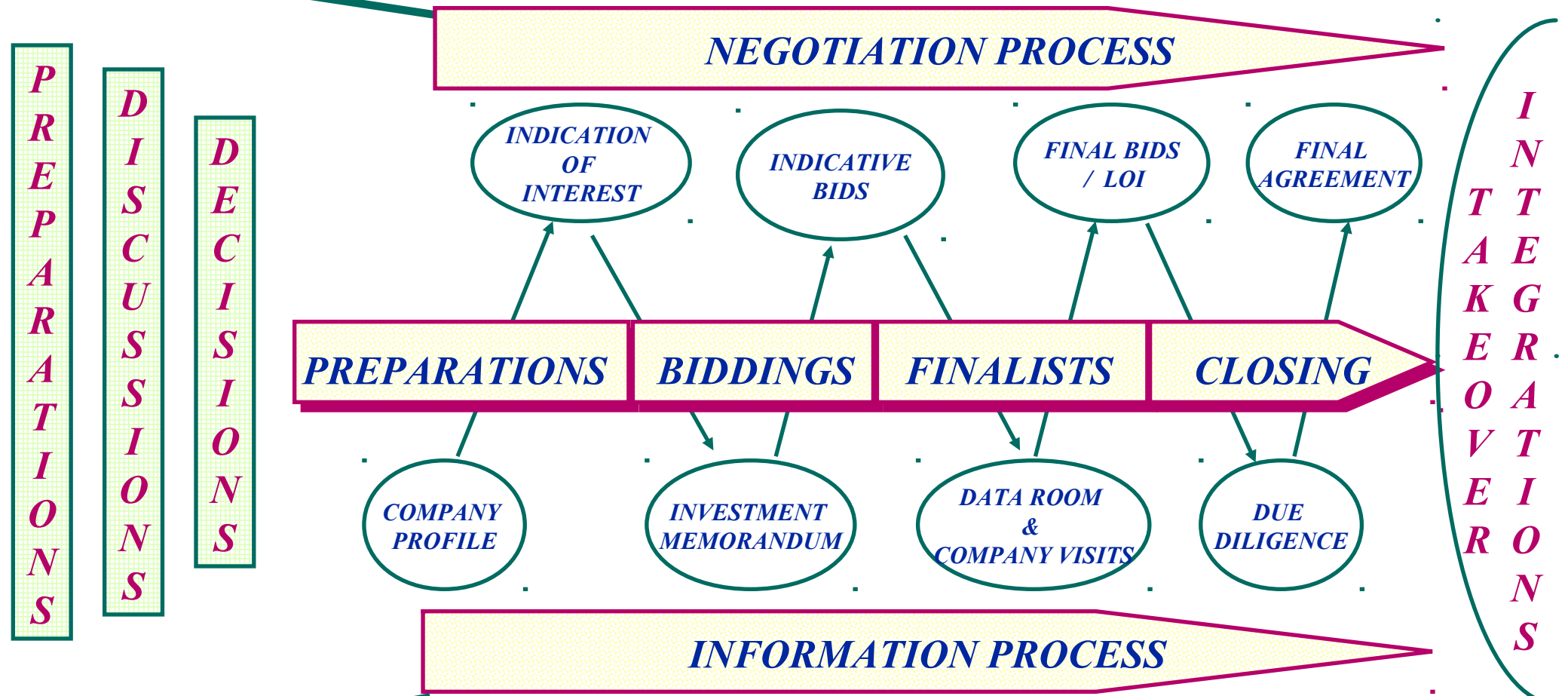
*CONTROLLED
AUCTION*

The Phases of the Controlled Auction



The Key Processes in the Controlled Auction

Captium



Key Steps in the Information

Captium

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
- ❖ Unclearities etc. resolved
- ❖ Assessment of bids and selection of finalists

Final Bids

- ❖ Written final bids received
- ❖ Unclearities etc. resolved
- ❖ A preferred bidder selected
- ❖ Potential letter of interest for exclusivity

Final Agreement

Takeover and Integration Plans

CAPT IUM
Change Management
Organic & M&A

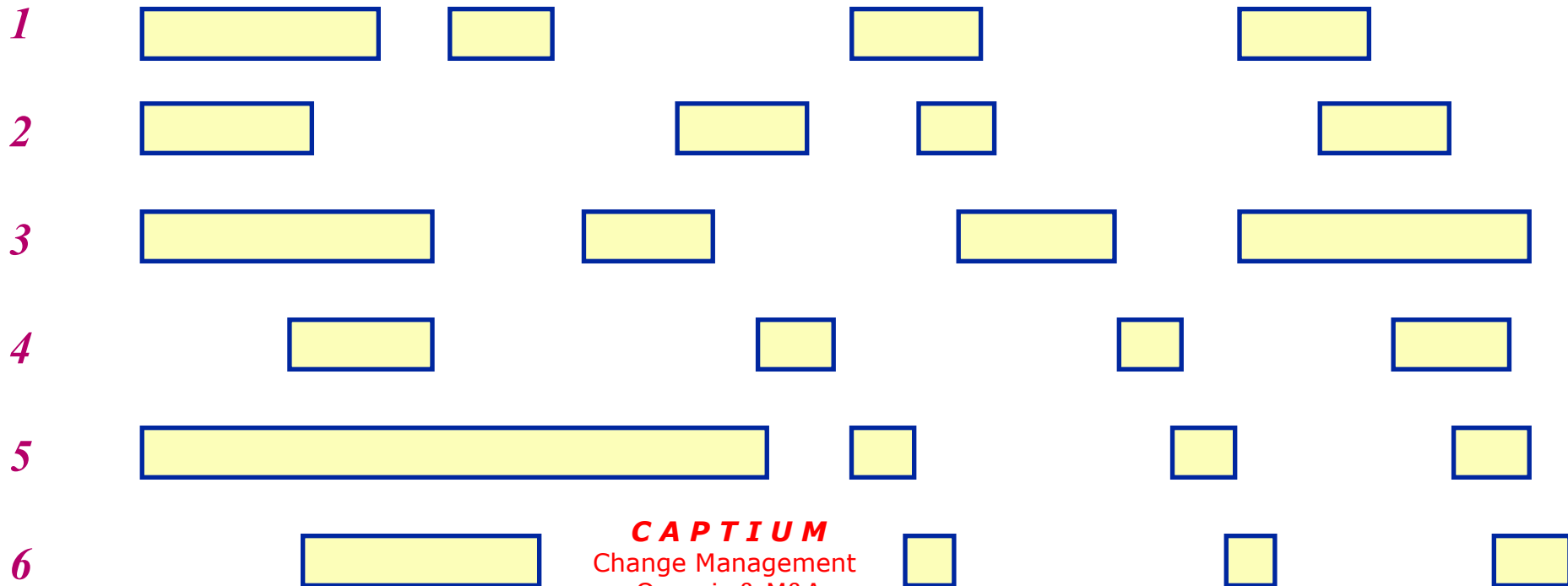
Generic Time Table of Divestment Process



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

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