

DE MICCO & FRIENDS

GROWTH THROUGH ACQUISITIONS
FOR PRIVATE AND STOCK LISTED COMPANIES

Mergers & Acquisitions — Buy site



DE MICCO & FRIENDS

„... make ideas happen“



GROWTH THROUGH ACQUISITIONS

The acquisition of a company offers certain advantages over organic growth. You can achieve a significant size of the market by targeted, strategic acquisitions and thus secure a significant competitive advantage. Furthermore, good acquisitions facilitate a significant entry to a new field of commercial activity, opening up new markets or launching the strategic globalisation of your company.

THE BENEFITS OF ACQUISITIONS

Listed stock market companies frequently obtain growth via acquisitions. Acquisitions are a source of sales and profits which can have a positive impact on the appraisal of your company.

One of the major benefits of listed companies is that a part or the total purchase price for transactions can be paid with shares which creates a lot of room for negotiation and saves on liquidity.

Setting up a new business abroad is always linked to significant risk and substantial effort as the overall infrastructures and market presence must be recreated. Through a targeted and well prepared acquisition, new markets can be opened up in less time and with significantly less expenditure.

- Increase in sales and profits
- Opening up new markets
- Purchase of overall infrastructures
- Purchase of marketable technologies
- Strategic globalisation

THE RISKS

Acquisitions and shareholdings have a critical impact on the company. Frequently, acquisitions fail and thus endanger the entire company.

Various market analyses show that only about 50% of merger transactions are carried out successfully with the desired effect achieved. Precisely for this reason, analysts initially view new acquisitions with certain scepticism. At times, the aspired for revaluation does not occur following an acquisition by a listed company. Instead, because of the increased risks, it leads to devaluation in the eyes of analysts and investors.

In many company selloffs, only the seller benefits while the purchaser has created more of a problem for himself than an instrument for growth.

De Micco & Friends is an expert on the capital market, is an experienced investor and an active corporate representative of the M&A purchaser. You will be accompanied through the entire transaction process, from identifying suitable candidates to the capital market communication. This reduces the risks of an acquisition to a minimum.



SERVICES

In contrast to the traditional M&A consultancy firms, De Micco & Friends specialises in representing the buyer's side. The group itself is involved as an investor. This provides a wealth of experience in risk assessment and the practical implementation of shareholdings, mergers and acquisitions.

The five traditional steps of a successful acquisition process are listed below, including the range of services for you as a purchaser offered by De Micco & Friends.

I. THE ACQUISITION CRITERIA

Many acquisitions fail or do not achieve the desired results as they have not been structured in a sufficiently strategic and targeted manner beforehand. Initially, the general line of approach should be created, drafting a list of criteria for the ideal candidate. This takes place through consultations with De Micco & Friends or by means of a management workshop, in which all the goals – from the perspective and status quo of your company – are clearly defined. In addition to sector, market, time and financial aspects, possible forms of transactions, budgets and post-merger risks are included in the considerations.

As a first result, an individual Buyer Fact Book is drafted, which significantly simplifies the following processes and procedures limiting potential selling candidates by their actual demands.

A major benefit of this tested approach is the fact that you will have to devote less time during the subsequent processes and can continue to take care of your daily operations, while De Micco & Friends implements the project.

II. RESEARCHING OF TARGETS

Following completion of the buyer fact book, the M&A research team at De Micco & Friends starts the active search for suitable candidates corresponding to your profile. Of course during this phase you remain completely anonymous as the buyer. In this way the research team can contact directly competitors in your sector, provided they are among the desired candidates. Depending on market sector or target area, up to several hundred targeted companies are identified, analysed and pre-evaluated within the context of our systematic matching procedure. In the event of matches with sufficient consistencies, the evaluation of a possible sale, share-holding or joint venture takes place.

Frequently, even at this stage, a positive side effect is the generation of interesting synergies such as, for example, distribution partnerships or technological cooperation between purchase candidates and a purchaser.

Candidates that have a genuine interest in selling will be presented to you in the form of a summarized matching sheet, which compares the originally defined requirements from the Buyer Fact Book with the actual situation of the selling candidates in order to make a decision. If the most significant criteria concur – after your approval – further negotiation phases can begin.

SERVICES

III. NEGOTIATIONS, EVALUATION, LOI

Particularly in negotiations and pre-negotiations, where initially the ideas of the seller are determined, you benefit from the experience and communicative strength of the experts of De Micco & Friends. Even in this phase it is important to gain as strong a position as possible, for your company as the potential buyer. Often in the critical issue of evaluation, a compromise is usually reached between the seller and the purchaser. De Micco & Friends will represent you here in line with your strengths, which can have an impact upon the purchase price or the transaction framework conditions.

In this phase, the aim is to conclude an LOI – Letter of Intent – agreeing on the framework conditions, such as; a possible purchase price, means of payment and transaction conditions. The LOI is only binding to a certain extent, as the conditions agreed are usually related to certain criteria which must be assessed such as, for example, checking the accounts or the drafting of technical reports, which the seller or the buyer must provide.

IV. DUE DILLIGENCE

Due diligence is an evaluation process whereby the actual situation of the selling candidate is assessed. The aim of this is to determine possible risks or uncover deficiencies. Depending on the project, this is divided into a financial evaluation (accounts, receivables valuation, liabilities, taxation issues, etc) and a legal assessment (contract risks and possible future claims of third parties, etc). In production and technology companies, frequently an additional technical due diligence is carried out on the equipment, technologies, patents and licenses.

The De Micco & Friends Group is also involved as an investor in M&A transactions. We would not recommend to you any acquisition candidates in cases where we ourselves would not be involved.

During or after due diligence, renewed negotiations usually take place with regard to the purchase or transaction price, facts are determined which were unclear or unknown at the time of signing the LOI.

De Micco & Friends organises and coordinates the entire due diligence process in your interest as a buyer to identify every possible risk beforehand. As the costs of due diligence (legal consultants, accountants, experts, etc) are usually borne by the purchaser, it is particularly important that this process is professionally coordinated and monitored. As a result De Micco & Friends guarantees you a clear and reasoned basis for decisions and negotiations.

SERVICES

De Micco & Friends adopts a transaction-oriented approach in all projects. This means that the successful conclusion, in the interest of the purchaser or investor, is always the focal point. In this way you gain time, minimise risks, save substantial costs and reach an optimal result in the negotiations.

V. CONTRACT NEGOTIATIONS / CLOSING

At the conclusion of a successful M&A process comes the concluding negotiations, closing and final signature of the contract. In this last phase, in addition to all anti-trust issues and other legal points, all facts, risks, synergies and personal interests should be known. Here again, De Micco & Friends assists in the negotiation process with its M&A experts, who are effective communicators, possess experience and excellent powers of persuasion.

Experience shows that in the concluding phase, success depends less on the technical data and facts and more on a skilful and intelligent communications strategy in which the interests of the parties involved meet in a win-win consensus.

Current transactions and enquiries from the various industries can be found on our website www.demicco.ch.



17.12	-0.00	1.81%
42.15	+0.75	0.48%
27.09	+0.13	2.09%
22.47	+0.46	-5.12%
23.37	-1.26	3.30%
391.66	+12.51	0.78%
95.61	+0.74	1.69%
25.22	+0.42	1.22%
24.82	+0.30	
57.27	+0.00	

DE MICCO & FRIENDS

Mergers & Acquisitions



GROWTH THROUGH ACQUISITIONS – POINT OF ENTRY

As in every share-holding process and merger, there are always risks involved. On the other hand there is no faster and more efficient instrument for bringing about corporate growth. As investor and representative of the purchasing side, M&A experts at De Micco & Friends know what is at the crux of the matter in each phase of the process.

THE SPECIAL FEE MODEL

To the extent that your project fits the transaction spectrum of De Micco & Friends, you will receive - free of charge - an exclusive purchase mandate of all preparatory services.

In contrast to many M&A consultancy firms or business brokers, De Micco & Friends participate in the risks of selected purchasing clients, through making the fee agreed upon dependent on the success of the acquisition.

Only technical costs, travel expenses and services by third parties are billed separately and of course only after consulting you.

With this one-time fee structure in the business, De Micco & Friends participates only with a commission after successful conclusion of the transaction.

OVERVIEW OF SERVICES

- Basic consultancy and drafting of the buyer fact book
- Creation of presentation material
- Seller research
- Evaluation and (anonymous) contact with purchase candidates
- Coordination of negotiation appointments
- Negotiations with potential purchase candidates
- Evaluation of the company and risk assessment
- Support in financing the acquisition, if required
- Organisation and coordination of due diligence
- Transaction structuring (purchase in cash, success-dependent payment arrangements (earn-outs), debtor warrant, call put options, seller loans, etc)
- Preparation of closing
- Post-merger capital market communication (for listed companies)

GROWTH THROUGH ACQUISITIONS – THE BENEFITS

Acquisitions provide you with the opportunity for rapid and competent growth where you decide the direction and the target. De Micco & Friends is at your side as a competent and experienced partner.

Simply ask for a non-binding quote.

BENEFITS OF ACQUISITIONS

- Acquisition of total infrastructures with location, management, staff, logistics...
- Acquisition of existing experienced service processes
- Expansion of distribution and sales channels
- Gain cost-effective production opportunities
- Purchase of know-how
- Optimisation of production resources by making the staff structure more qualified following the merger
- Growth in foreign markets without long design and start-up times
- Purchase of sales and profit
- Acquisition of potential competitors
- Gain a new client base or sales market
- Participation in the already existing image or existing brands
- Open up a new market “in one stroke”
- Gain new, supplementary and tested products
- Purchase of existing property rights
- Expand the delivery chain and purchase market
- Presentation of comprehensible commercial processes for those providing capital and loans

ADVANTAGES OF COOPERATION

- De Micco & Friends, as your representative, earns its fee largely depending on the success it achieves and thus assumes a part of the project risk.
- During the whole process you can continue to focus on your business operations. For De Micco & Friends takes charge of the time-consuming and work-intensive processes.
- You benefit from the experience of the many M&A group transactions. All the senior partners of De Micco & Friends are entrepreneurs with strong communication skills.
- De Micco & Friends cooperates internationally with competent investors who may be involved in your project.
- De Micco & Friends is known to be a competent, experienced consultancy and a reliable partner in the international capital market. This gives your project a higher status from the outset with potential purchase candidates and investors.
- De Micco & Friends is a dynamic committed group which is continually growing. As a client you benefit from a powerful and very flexible international network of competent experts.
- Due to their many activities at trade shows, conferences and online portals, and its prominent and committed research team, De Micco & Friends always has access to interesting purchase candidates in the most varied market sectors.

DE MICCO & FRIENDS



DE MICCO & FRIENDS

www.demicco.ch

DE MICCO & FRIENDS GROUP

Grabenstrasse 25, CH-6340 Baar

eMail: office@demicco.ch

Phone: +41 445 861 964

www.demicco.ch

UNITED KINGDOM

2 Dovecote Barns Vellacott ClosePurfleet,
RM19 1AF Essex

United Kingdom

eMail: office@demicco.co.uk

Tel: +44 - 7551 341 216

TURKEY

Kardelen 4/2 D: 40 Atasehir
34758 Istanbul

Turkey

eMail: office@demicco.ch

Phone: +90 216 456 49 23

GERMANY

Arenberger Straße
56077 Koblenz

Germany

eMail: office@demicco.ch

Phone: +49 173 66 26 755

MONACO

Palais de la Scala
98000 Monte Carlo

Monaco

eMail: office@demicco.ch

Phone: + 337 678 632 797