

Mergers and Acquisitions:

An introduction by DB&S Corporate Finance

General

Mergers and acquisitions (M&A) and corporate restructuring are a big part of the corporate finance world. Every day DB&S Corporate Finance professionals are arranging M&A transactions which bring separate companies together to form larger ones. When they're not creating big companies from smaller ones, corporate finance deals do the reverse and break up companies through spinoffs or carve-outs.

The main idea is that one plus one makes three: this equation is the special alchemy of a merger or an acquisition. The key principle behind buying a company is to create shareholder value over and above that of the sum of the two companies. Two companies together are more valuable than two separate companies - at least, that's the reasoning behind M&A. This rationale is particularly alluring to companies when times are tough. Strong companies will act to buy other companies to create a more competitive, cost-efficient company. The companies will come together hoping to gain a greater market share or to achieve greater efficiency. Because of these potential benefits, target companies will often agree to be purchased when they know they cannot survive alone. One size doesn't fit all. Many companies find that the best way to get ahead is to expand ownership boundaries through mergers and acquisitions. For others, separating the public ownership of a subsidiary or business segment offers more advantages. Mergers create synergies and economies of scale, expanding operations and cutting costs. Investors can take comfort in the idea that a merger will deliver enhanced market power. M&A comes in all shapes and sizes, and investors need to consider the complex issues involved in M&A. The most beneficial form of equity structure involves a complete analysis of the costs and benefits associated with the deals.

Acquisitions

Acquisitions always involves the purchase of one company by another. In an acquisition a company can buy another company with cash, stock or a combination. Another possibility, which is common in smaller deals, is for one company to acquire all the assets of another company.

The big question is What to Look For?

It's hard for investors to know when a deal is worthwhile. The burden of proof should fall on the acquiring company. To find mergers that have a chance of success, investors should start by looking for some of these simple criteria:

- A reasonable purchase price - A premium of, say, 10% above the market price seems within the bounds of level-headedness. A premium of 50%, on the other hand, requires synergy of stellar proportions for the deal to make sense. Stay away from companies that participate in such contests.
- Cash transactions - Companies that pay in cash tend to be more careful when calculating bids and valuations come closer to target. When stock is used as the currency for acquisition, discipline can go by the wayside.
- Sensible appetite – An acquiring company should be targeting a company that is smaller and in businesses that the acquiring company knows intimately. Synergy is hard to create from

companies in disparate business areas. Sadly, companies have a bad habit of biting off more than they can chew in mergers.

- Mergers are awfully hard to get right, so investors should look for acquiring companies with a healthy grasp of reality.

Synergy

The functions of synergy allow for the enhanced cost efficiency of a new entity made from two smaller ones - synergy is the logic behind mergers and acquisitions. Synergy is the magic force that allows for enhanced cost efficiencies of the new business. Synergy takes the form of revenue enhancement and cost savings. By merging, the companies hope to benefit from the following:

- Staff reductions - As every employee knows, mergers tend to mean job losses. Consider all the money saved from reducing the number of staff members from accounting, marketing and other departments. Job cuts will also include the former CEO, who typically leaves with a compensation package.
- Economies of scale - Yes, size matters. Whether it's purchasing stationery or a new corporate IT system, a bigger company placing the orders can save more on costs. Mergers also translate into improved purchasing power to buy equipment or office supplies - when placing larger orders, companies have a greater ability to negotiate prices with their suppliers.
- Acquiring new technology - To stay competitive, companies need to stay on top of technological developments and their business applications. By buying a smaller company with unique technologies, a large company can maintain or develop a competitive edge.
- Improved market reach and industry visibility - Companies buy companies to reach new markets and grow revenues and earnings. A merge may expand two companies' marketing and distribution, giving them new sales opportunities. A merger can also improve a company's standing in the investment community: bigger firms often have an easier time raising capital than smaller ones.

Acquisition process:

DB&S Corporate Finance's role can best be summarised as that of deal manager and advisor in all stages of the transaction process. With in-depth experience with all aspects of the acquisition process we are able to support you in the acquisition of target in each stage of this process.

DB&S will assist you in managing and structuring the transaction. The project management tasks will include co-ordinating, supporting and structuring the process. Over the total duration of the process we will, on your behalf and with your consent, be your representatives in all contacts with the potential target company's and their advisors

During this engagement, we shall perform the following services:

- profile, search and analysis of potential target companies;
- approach potential target companies;
- perform a value analysis;
- formulate the preferred structure of the transaction;

- formulate offer letters;
- co-ordinate the due diligence investigation;
- negotiate with potential vendors.

The success of the acquisition is always a the result of the team effort between you and DB&S. The above-mentioned services will subsequently be described in more detail.

Profile, search and analysis target companies

The analysis will start with an assessment of the current market description of the target market to determine possible acquisition targets. Based on your requirements and on the information that has been provided to us we will provide an “investment overview” and a more detailed “corporate profile” of potential acquisition candidates. In order to have an extensive list of potential acquisition candidates, we will use amongst others our international network. DB&S will analyse the mentioned information requirements of your company with regard to possible acquisition targets in the targets market in order to enable you to decide on its investment possibilities.

Approaching target companies

Based on the information gathering and analysis in the previous stage, you decide on the selection of acquisition candidates. DB&S will (anonymously) contact the shareholders of these target companies to investigate their likely interest to sell their respective shareholdings.

Value analysis

In view of pricing the acquisition, we will extend and maintain a value analysis model that will serve as a tool for generating and supporting possible bid prices. The assumptions made in the value analysis model, which are depending on corporate assessments and goals, will be based on future financial projections. The value analysis will enable us to specify a value range based on both a stand-alone basis for the Target and on a situation in which potential synergies can and will be quantified. The value analysis will be based on the discounted cash flow method, supplemented with other methods. On the basis of the value analysis, an insight will be obtained with regard to the potential value and acquisition price of the target.

We would like to emphasize that the value of a company cannot be defined solely on the basis of mathematical calculations. The (subjective) value attributed to a company, by the different parties, will give suit to negotiations that will result in a final price for the company. The final price for the target will always be determined by you and will remain your responsibility.

Deal structuring

Prior to approaching acquisition candidates, we will bring to your attention possible legal structures and the impact of such structures on your company. You should notice however that the ultimate transaction structure could also be influenced by the requirements of the vendor.

Offer letter(s)

In the course of the process, your company will be requested to submit offer letters among others after having had the site visit and management presentation. We will work closely together with you in preparing all offer letters that have to be submitted during the process.

Due diligence co-ordination

KPMG Corporate Finance will advise you in connection with the due diligence process, which will mainly consist of taking an active part in organising and co-ordinating these activities. Subsequently, together with you we will evaluate the implications of both the due diligence investigation and structuring of the transaction before finalising your bid.

On your request, we can arrange and co-ordinate the participation of specialists to perform the financial due diligence investigation. With respect to the legal due diligence investigation we can arrange the participation of lawyers and we can arrange and co-ordinate outside advisors with regard to technical and commercial issues in the due diligence. Such services shall be subject to separate engagement letters.

Negotiations

We will advise you on the negotiation strategy, prepare arguments for the negotiations and, together with you, conduct the actual deal negotiations. Furthermore, together with your legal advisors, we will assist you in negotiating the legal contracts and will advise on the closing procedures. Also in this part of our assignment we will act solely as your representative and act solely on the basis of your instructions.

Closing

Together with other (e.g. legal) advisors, DB&S will assist you in finalising the transaction and will advise on the closing procedures. You will need to engage a commercial or in-house lawyer to protect its interests in relation to the sale and purchase agreement (SPA). We shall work with the lawyer to assist you to negotiate on specific clauses. We also anticipate, together with your lawyers, assisting in the interpretation of any warranty and indemnity requirements included in the SPA.

企业兼并与收购

概述

兼并与收购（M&A）和企业重组是企业金融行业里很重要的业务。德邦安盛的财务专家们每天都要参与不同的并购案，或把独立的小公司合并为大型的企业，亦或把大企业拆分为单独的小公司。并购的主要构想是“一加一等于三”，这个等式是兼并购特有的魔力。购买一家公司的基本原则是为股东创造的价值大于两家公司价值的总和，即两家公司合并在一起要比独立经营时更有价值。这个优势尤其在公司的困难时期显得更为诱人。实力雄厚的企业将果断购买其他企业，以创造一个更有竞争力，更具成本效益的公司。合并公司是为了获得更大的市场份额，或实现更高的效率。考虑到这些潜在的利益，当目标公司了解到他们不能独自生存时往往会同意被吞并。同一种规模并不适用于所有公司。一些公司意识到，要想领先于其它公司，最好的方法是通过兼并购来扩大自己的权益范围。与此相反，一些公司发现将某个子公司或业务部门分离出来能给他们带来更多的优势。兼并购能产生协同效应和规模经济，扩大业务和削减成本；兼并购能增强公司的市场支配力，让投资者安枕无忧。并购的形式多种多样，因此投资者需要考虑到并购涉及的各种复杂问题。最佳股权结构的选择包括了一个完整的对交易相关成本和利益的分析。

收购

一项收购交易总是会涉及到买方和卖方。买方公司可以支付现金，股票或混合方式来购买。另一种可能性是买家公司全额收购卖方公司的所有资产，这种情况常见于较小的并购交易中。

收购过程中遭遇的最大问题是：寻找什么样的公司？

投资者面临的最大困难是如何发现最佳交易时机，举证责任落在了买方公司身上。为了寻找成功率较高的并购机会，投资者应根据下面几项简单的标准进行搜索：

- 合理的购买价格：例如一个高于市场价格 10% 的溢价似乎在正常范围内，但如果溢价高于市场价格 50%，那就要求该并购产生相当大的协同作用。投资者应尽可能远离此类价格竞争。
- 现金交易：当使用现金进行交易时公司往往会对出价和目标公司的估值计算更为谨慎。反之，当使用股票作为货币进行支付时，该交易方式在规范上稍有欠缺。
- 明智的挑选目标：收购方应瞄准比自己规模小，业务上也比较熟络的公司，因为协同效应很难在两个所处经营领域不同的公司间实现。但是公司难免有眼大肚小的坏习惯，总喜欢去购买超出他们驾驭能力的大公司。

- **背景调查：**兼并是非常难把握的，买方公司应该根据自己实际情况寻找一个真实健全的公司作为收购对象。

协同效应

协同效应是指将两个规模较小的实体合并在一起，从新实体中获得更高的成本效益——协同效应是并购背后的商业逻辑。神奇的协同效应增强了新公司的竞争力，企业通过增加收入和节约成本两种形式实现协同效应。公司希望通过兼并实现以下利益：

- **裁减人员：**每一位员工都知道，兼并往往意味着失业。从会计，市场营销等部门减少员工人数可以为公司节省大笔开支。被裁的员工也会包括前任 CEO，他们的离任通常会伴随着高额的赔偿金。
- **规模经济：**没错，公司的大小也很重要。小到办公文具，大到 IT 系统，大企业下订单可以比小公司节省更多成本。合并也可以提高购买力，在购买设备或办公用品时，大宗订单也可以让企业与供应商合作时具备更强的议价能力。
- **获取新技术：**为了维持竞争力，企业需要将其业务保持在高技术水平上。通过购买具有独特技术的较小规模的公司，一家大公司可以维持甚至增强其竞争优势。
- **扩大市场覆盖范围和业界知名度：**公司通过并购来开拓新市场，增加收益。兼并可扩大两家公司的市场营销和分销渠道，并带来新的销售机会。兼并还可以提高公司在资本市场的地位，因为相比起较小的公司，大企业往往能更短时间内筹集到所需资金。

并购顾问的职责

随着并购业务在中国的发展，越来越多的企业选择通过兼并与收购的途径增强自己的市场业绩。一些掌握先机的企业已经迈出国门，通过跨国并购为自己在国际舞台争取到一席之地。可是海外并购的过程并不如想象中的一帆风顺，尤其相比起欧美发达国家，中国尚处于并购浪潮的初期。由于缺少海外投资经验和对地方商业惯例、法律法规的了解，很多企业选择聘请专业的并购顾问协助其完成交易。

并购顾问在整个交易过程中行使交易监管和咨询的职责。因为对收购过程的各个环节都了如指掌，他们帮助客户达成每个阶段的目标。拿我们的经验来说，德邦安盛需要协助客户进行项目管理和交易结构设计。在合同期内我们在客户的授权下与收购的目标公司和他们的财务顾问进行沟通联络。

我们根据通用的国际惯例，结合荷兰本土的实际操作，总结了以下几点（买方公司）顾问在交易过程中的具体职责：

搜索和分析目标企业

并购的第一步是对当前目标市场形式进行分析，从而识别出有潜力的收购目标。根据客户的要求和所提供的信息，并购顾问将撰写一份“投资概况”和一份详尽的关于潜在收购的“公司简介”。在准备好潜在的收购对象名单后，顾问将根据实际的需求，同客户一起对目标公司进行逐一分析，帮助客户做出正确判断。

与目标企业洽谈

根据在前一阶段所收集的信息和分析结果，客户可以自行选择候选的收购目标。确定候选名单后，顾问会与目标公司的股东进行会面，探询他们的出售意愿。

估值分析

顾问往往会使用多种估值模型对目标公司的价值进行评估，估值模型所基于的假设是对公司未来财务状况的预测。估值分析将对两种情况做出分析：一种是当目标公司独立存在，另一种是当目标公司存在潜在的协同效应，根据两种不同情况可制定出一个估值范围。德邦安盛通常使用贴现现金流量法和其他辅助方法计算的企业价值，并基于估值分析帮助客户对目标公司价值和收购价格建立正确的认识。

值得一提的是，目标公司的价值不能仅仅通过数学计算的方式来敲定，公司的（主观）价值最终会由多方协商谈判后达成一致。而买家始终拥有对目标公司最终定价的权力，也要为此最终价格负责。

设定交易结构

在联络候选收购公司之前，顾问会为客户建议几种可行的公司结构以及采用这种结构对现有公司带来的影响。当然，最终的交易结构也会被卖方的要求所影响。

撰写出价书

在交易的过程中，客户会被邀请参与实地考察及管理层展示，然后准备一份出价书。在这个阶段顾问和客户将进行紧密的合作，共同为撰写出价书准备所有必备的要约函件。

协同尽职调查

德邦安盛总是建议客户积极地参与到尽职调查的执行与协调过程中。顾问会与客户共同评估尽职调查结果，分析交易结构，从而决定最终出价。应某些客户的要求，顾问也可指派和协调进行财务尽职调查的专业人员和进行法律尽职调查的律师，甚至可以指派其他外部专员进行技术和商业的尽职调查。上述服务都会在一份单独授权的委任书中列明。

并购谈判

顾问会预先为客户提出有关谈判的策略及论点的建议，并会与客户并肩参与到实际的交易谈判中。此外，并购顾问也会同客户委任的法律顾问一同参与到法律合同的谈判中，帮助客户与卖方公司达成一致。在此阶段顾问作为客户的代言人，会完全根据客户的指示行动。

完成交易

在交易的最后阶段，并购顾问会同其他（如法律）顾问一起，协助客户完成收购案。一位商业或公司自有的律师能够保障买方公司在交易和购股协议（SPA）中的权益，顾问也会同律师一起，向客户逐一解释购股协议中各项担保和赔偿条款。

结语

企业的兼并与收购是个复杂的长期工程，往往需要投资方投入大量的时间与精力进行战略研究与交易设计。尤其在跨国并购中，中国公司往往对目标企业和产品市场缺乏足够的分析和客观的判断，对目标企业价值的确定缺少实际经验与专业能力，因此也增加了并购的风险。一只专业的本土顾问团队能在目标国家助中国公司一臂之力，顺利完成其在国际市场的扩张。