ALIXPARTNERS PMI INSIGHTS

Unlocking the value creation potential of M&A transactions

PMI success factor insights from business leaders

JANUARY 2025

01 INTRODUCTION AND EXECUTIVE SUMMARY

Foreword

The global economy is navigating a period of uncertainty, with high interest rates creating significant hurdles for M&A activity. These conditions make capital acquisition challenging, forcing companies to adjust strategies. Many firms are undergoing transformative changes to adapt their business models to trends like demographic shifts, deglobalization, AI-driven acceleration, and climate transition. According to AlixPartners' survey, nearly all decision-makers expect to overhaul their business models in the next three years, emphasizing the urgency of these transformations.

M&A has become a vital strategy in this environment. Transformational deals and divestitures play a key role in enabling companies to stay competitive, offering pathways for growth even as challenges mount. Sectors such as industrial goods, logistics, and technology are seeing heightened activity, with opportunities for consolidation, operational improvements, and innovation.

However, significant obstacles remain. Valuation gaps between buyers and sellers, prolonged due diligence, and the increasing prevalence of distressed transactions add complexity to the deal-making process. Buyers must conduct detailed assessments of risks spanning financial, operational, legal, and strategic areas, often leading to extended timelines or even deal cancellations.

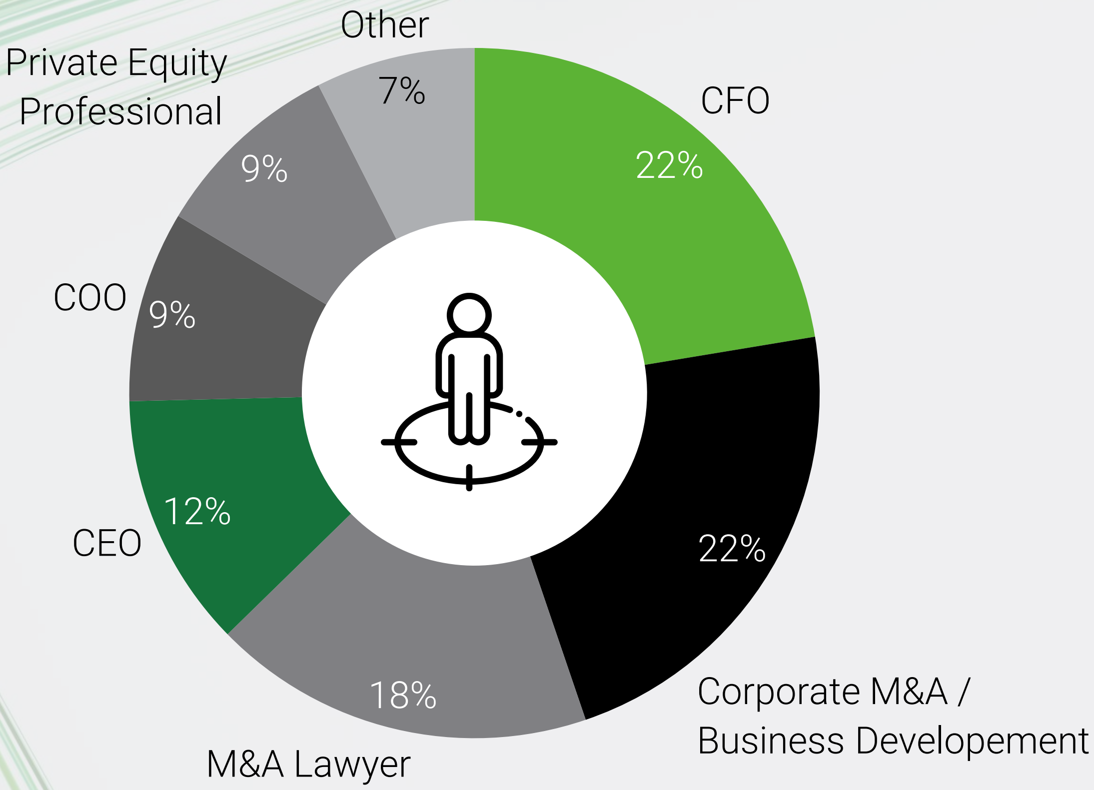
Post-merger integration (PMI) has become a critical factor for success, particularly in distressed M&A deals, where liquidity constraints heighten the need for immediate results. Effective integration requires rapid realization of value creation, bridging valuation gaps, and achieving cost efficiencies to maintain financial stability. Poorly managed integrations risk operational disruptions, competitive disadvantages, and failure to deliver value.

Governance and strategic planning are essential during the first 12–24 months of ownership. Companies must identify key areas for cost savings and operational improvements early, ensuring value creation begins on Day 1. Strong execution of these plans is critical for navigating today’s challenging M&A landscape and achieving sustainable success.

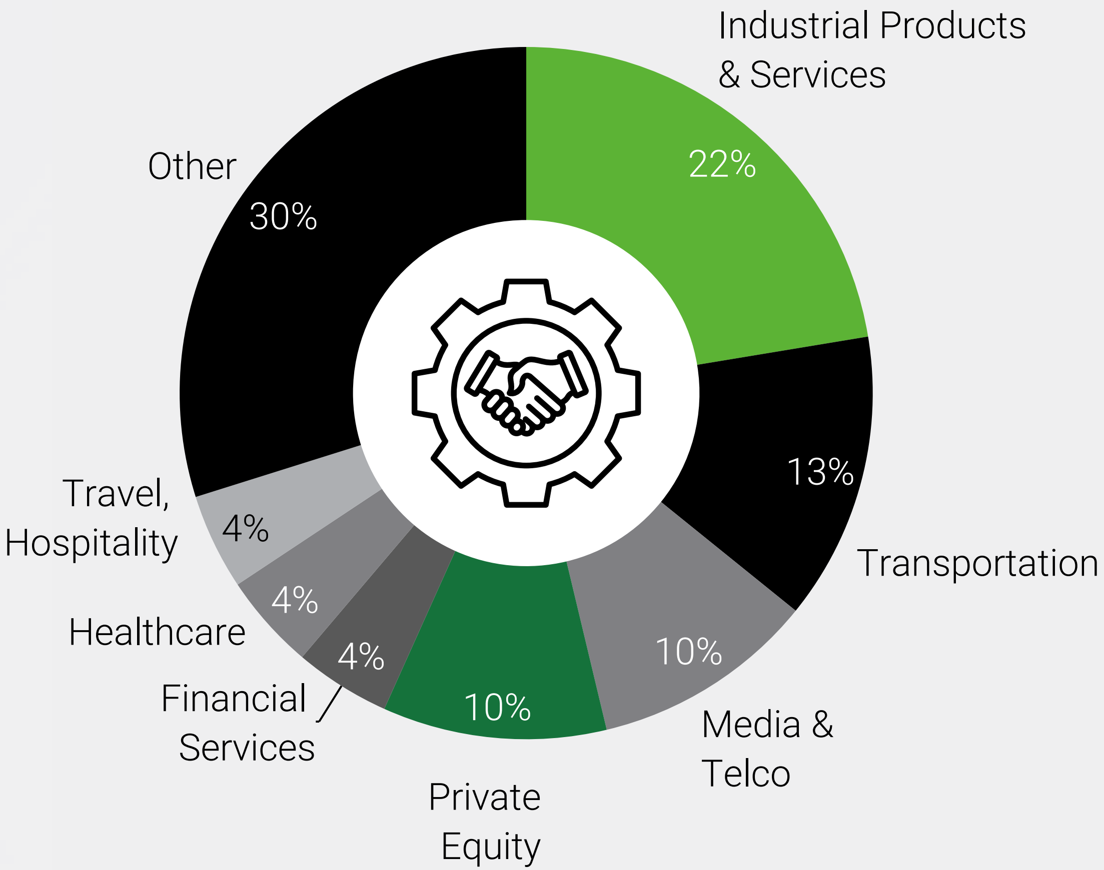
The insights were created through a mixed-methods approach, combining expert interviews with mid- to C-level industry representatives, as well as financial investors, and a targeted survey of M&A professionals and PMI practitioners. Gained insights were further enriched by AlixPartners PMI experts and project experience.

2024 M&A SURVEY – SURVEY PARTICIPANTS

POSITION

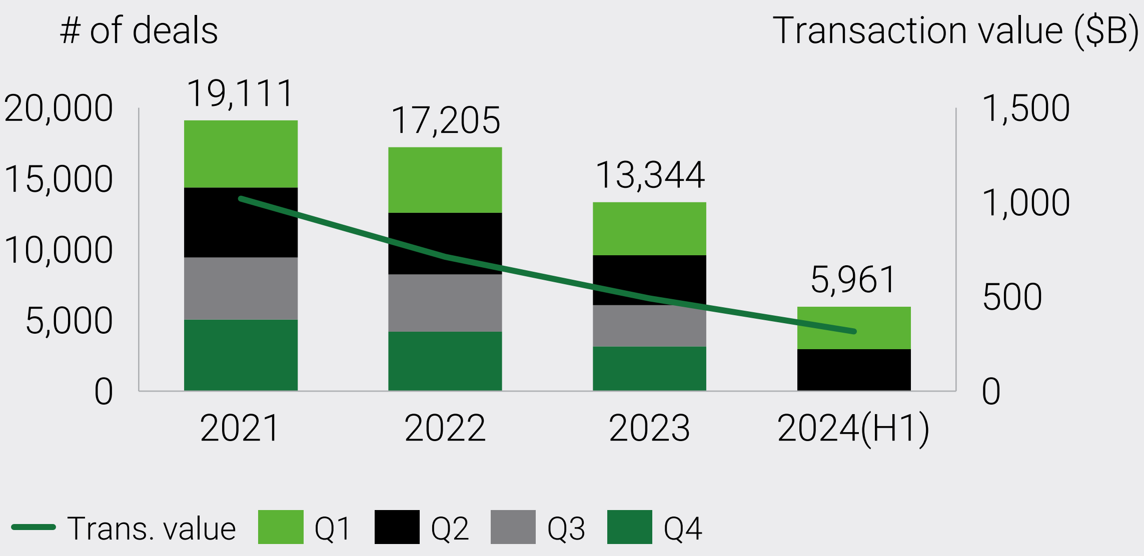


INDUSTRY



AFTER SEVERAL YEARS OF DECLINE, M&A EXECUTIVES NOW EXPECT A SLIGHT INCREASE IN M&A ACTIVITY

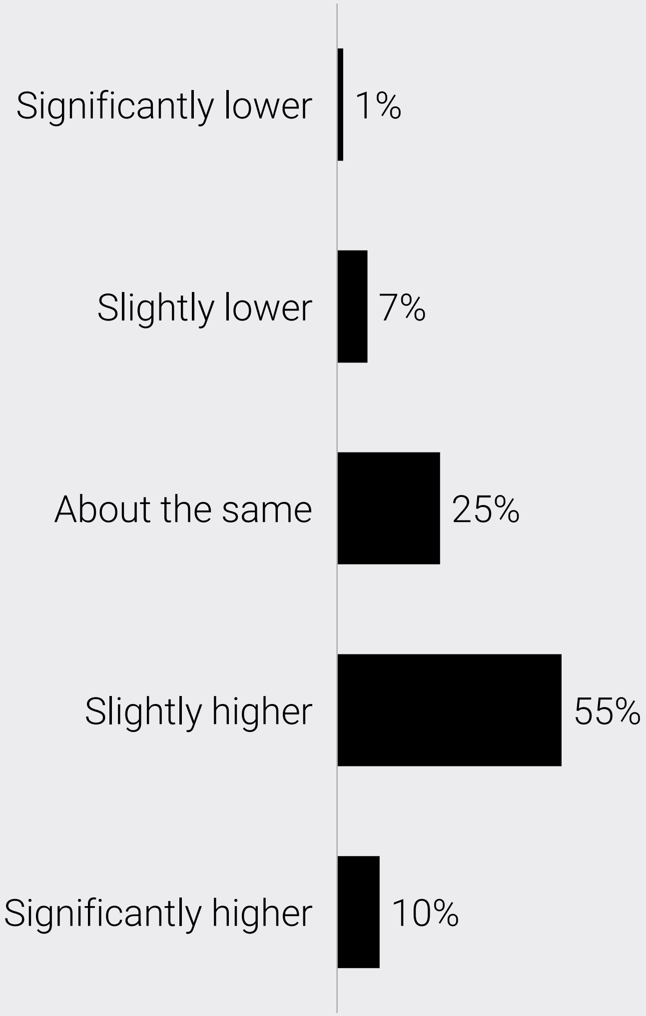
PAST M&A ACTIVITY (GLOBAL)[1]



M&A activity remains subdued, for the following reasons:

- **High interest rates** increasing costs of capital
- **Economic concerns** and **geopolitical instability** have led to a more cautious approach
- **Regulatory scrutiny** by competition authorities

Survey result: How would you forecast the **level of M&A activity** in your industry in the next 12 to 24 months?



Our survey participants are cautiously optimistic for an uptick in M&A activity over the next 1-2 years: **2/3 of our participants expect a slight or significant increase in M&A activity**

1. Includes announced or completed deals between Jan. 1, 2020, and June 30, 2024, where the buyer purchased a majority stake in a company or an asset

Source: S&P Global Market Intelligence.

EXECUTIVE SUMMARY (1/2)

FINDINGS OF OUR SURVEY RELATED TO THE PMI STAGES

Due Diligence

- The **target operating model (TOM)** and **value creation** are the key focus areas of a due diligence; increasing attention is put on leadership and cost synergies
- Professionals face severe challenges when developing a robust and qualified view of the **expected synergy potential** due to the lack of critical information
- A refined, let alone combined target operation model has typically not yet been developed – the target is mostly treated as a **separate business unit**
- The most insightful DDs do not exclusively focus on the target but also on the **acquirer** itself

Pre-Close Planning

- Focus in the Sign-to-Close period is shifting towards **developing the integration/action plan and governance structure of combined entities**
- **Clean rooms** are often used for **synergy** planning
- With more information becoming available after signing, synergies and value creation should be **validated further**

Implementation

- Our survey shows that the **lack of dedicated resources** is seen as the biggest risk to implementation, followed by a lack of communication and low leadership engagement
- We find that the focus is oftentimes in the **'controlling and reporting'** mode rather than really driving the effort with a problem-solving **'getting it done'** mentality
- In complex PMIs, too much attention is given to integration, whereas maintaining **customer satisfaction and operational stability is neglected**

RECOMMENDATIONS

- Develop a value-led investment case
- Assess implications on Target Operating Model (TOM)
- Plan to the right level of detail
- Refine investment thesis from DD phase
- Leadership acting by example
- Facilitate a head-start on Day 1
- Governance with dedicated priorities, resources and responsibilities
- Assemble a team with experienced and senior people
- Communicate effectively & maintain customer and employee focus

EXECUTIVE SUMMARY (2/2)

FINDINGS OF OUR SURVEY RELATED TO THE KEY PMI COMPONENTS

Target Operating Model

- The overall target operating model must support and facilitate the strategy and underlying investment cost – a clear view on sources of value creation and degree of integration is necessary
- Determining the right degree of integration is critical to the transaction success and needs to be tailored to the specific business case: full autonomy (e.g., when **regional go-to-market** approach is to be maintained) vs. **full integration** (e.g. to maximize value creation)

Value Creation

- The main reasons for falling short of synergy expectations are **weak execution, insufficient focus and lack of communication.** In particular, the lack of prioritization of high impact topics often entails getting lost in 'integration complexity'
- Successful PMIs are characterized by using **benchmarks** (e.g. # of FTE in the Finance function per 1,000 employees) to define clear targets while simultaneously applying a greenfield approach to **validate and implement** synergy potentials
- Speed matters: A **quick synergy capture** avoids employee dissatisfaction, deterioration of quality service offering – and the financial impact is realized fast

Governance and Change Management

- Our survey shows that the success of the PMI governance depends on a **clearly outlined structure** and **leadership accountability at a functional level**
- Some companies have a passive Integration Management Office (IMO) while others are more active. We typically see that more **active IMOs are more successful** in achieving PMI goals
- The program managers responsible need to be **'ready for the job',** ideally based on prior PMI experience. They need to be sponsored and supported by senior management along the way
- A PMI needs to approached in a highly structured manner: clear templates, mode of interaction with the target side, escalation mechanism, etc. – lack of structure causes confusion, waste of efforts and may put the deal at risk. Pior PMI experience is critical for this

RECOMMENDATIONS

- Make early decisions on Target Operating Model guardrails
- Develop a clear roadmap short to long term
- Align the operating model with synergy targets
- Implement a proven synergy capture program
- Implement effective synergy tracking as part of the IMO task
- Beware of business continuity
- Establish governance early with active IMO content heavy approach
- Make the PMI a C-level priority
- Ensure accountability through the entire deal and integration process

02 PMI PHASES

2.1 Due Diligence

2.2 Pre-close Planning

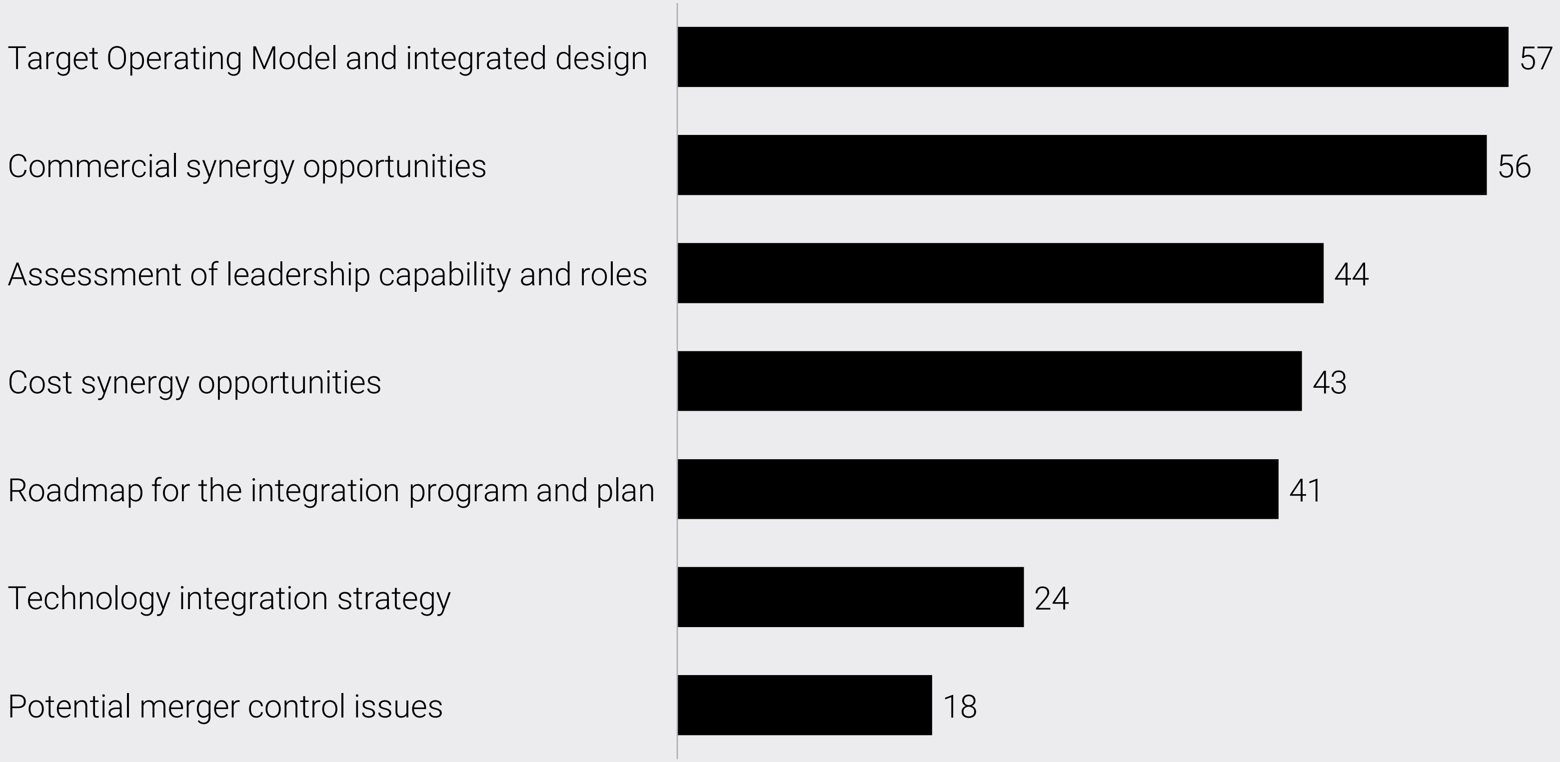
2.3 Implementation

DEVELOPING A CLEAR VIEW OF THE TARGET OPERATING MODEL DESIGN AND VALUE ACCRETIVE OPPORTUNITIES ARE CRITICAL DURING THE DUE DILIGENCE PHASE

SURVEY RESULTS

What are the **most critical factors to consider during the due diligence phase** to ensure a successful PMI? (choose up to 3)

As %



INTERVIEW INSIGHTS

From the beginning, the acquirer's team needs to be clear on the logic of the deal. The due diligence must set the foundation for submitting a solid financial bid.

Private Equity, Investment Director

Risks that are critical for successful integration can become deal breakers – we need a clear mitigation roadmap as a prerequisite for a successful signing and closing.

Stefan Ohl, Transformation & PMI Expert, AlixPartners

Note: The chart shows the share of survey participants that provided the respective answers

THE DUE DILIGENCE SHOULD FOCUS ON THE CRITICAL LEVERS TO MAXIMIZE VALUE CREATION AND MITIGATE RISKS

SUMMARY OF FINDINGS

Due diligence objectives

PMI experts focus on value creation and the target operating model (TOM) and integrated design during the DD. This builds the foundation for the roadmap of the integration programme. In addition, assessment of leadership capabilities plays a key role for decision makers.

Multifaceted viewpoint

To create certainty around realization of deal value, the DD approach must integrate commercial, operational and technology levers. The approach also needs to consider headwinds or risks that could become deal breakers and the mitigation plans to address these.

Guardrails on the TOM

Without generating a clear view on the TOM, guardrails might be missing to think conceptually how to plan and design the future state model and organization. This explains the top priority of this topic as critical factor in this stage.

Constraints not sufficiently addressed

Different cultural values and lack of capabilities/adequate talent can be constraints and put a successful integration at risk.

The view on both companies

The most insightful DDs do not exclusively focus on the target but also on the acquirer itself. Many acquirers have not been optimized in their organizational set-up, while a successful DD considers optimization potentials for a combined entity.

THE DUE DILIGENCE SHOULD FOCUS ON THE CRITICAL LEVERS TO MAXIMIZE VALUE CREATION AND MITIGATE RISKS (CONT'D)

RECOMMENDATIONS TO DECISION MAKERS

1 Develop a value-led investment case

- The investment case should be ambitious and realistic – with value-led lens to integrate operational and technology levers with drivers of commercial value
- Opportunities, e.g. commercial synergies, need to be identified, assessed and prioritized
- While focus on value creation is key, risk mitigation should not be discounted

2 Assess implications on Target Operating Model (TOM)

- Developing the Target Operating Model requires an in-depth look at both the target and the acquirer and how to best combine the two in a most effective manner
- Developing the TOM principles and design elements in line with deal thesis provides teams with necessary guardrails in which to think about (synergy) value creation

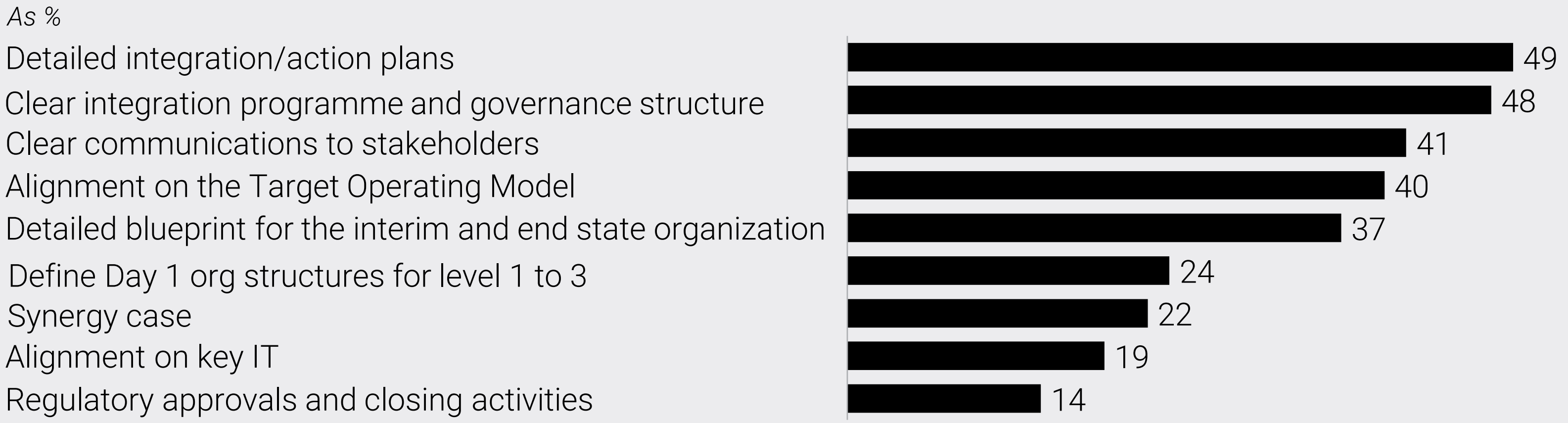
3 Plan to the right level of detail

- At the DD stage, large amounts of data and details might still be missing – planning should be to a sufficient level of detail but not be overly rigid
- Pragmatic and '80/20' data-driven approach allows to focus on the key value levers and mitigation paths for any risk elements

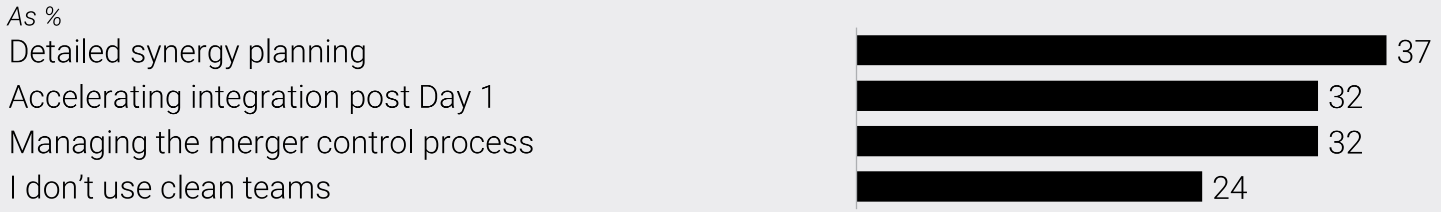
THE FOCUS OF THE PRE-CLOSE PLANNING IS DEVELOPING AN ACTION PLAN AND INTEGRATION PROGRAMME WITH AN IMPACTFUL GOVERNANCE STRUCTURE

SURVEY RESULTS

In the **pre-closing phase,** which of the following activities have the highest priority? (choose up to 3)



Where **clean teams** are in use, how and what do you use the clean teams for? (choose up to 3)



INTERVIEW INSIGHTS

In order to secure Day 1 readiness, it is important to have a playbook with clear actions, responsibilities and milestones.

MDAX, Executive

Detailed integration planning prior to closing plays a crucial role for a successful integration.

Michael Wabnitz, Head of M&A DACH, AlixPartners

Note: The chart shows the share of survey participants that provided the respective answers

IN ADDITION TO ACHIEVING BUSINESS CONTINUITY ON DAY 1, REFINEMENT AND ACCELERATING SYNERGY PLANNING SHOULD BE THE KEY FOCUS

SUMMARY OF FINDINGS

Pre close objectives

PMI experts focus on a clear programme that guides management with action plans towards Day 1 requirements. This goes hand-in-hand with a governance structure that is transparent with roles, accountability and responsibilities for the integration way and action steps. A clear and consistent communication to all stakeholders is furthermore seen as top priority.

Importance of an action plan and Integration Management Office (IMO)

Thoroughly developing out a playbook and subsequently plan to executing the integration plan with prioritized initiatives is of utmost importance to start Day 1 and periods onwards. The IMO acts as central hub and ensures implementation of initiatives and cross-functional coordination.

Day 1 readiness

Outlining 'Day 1 requirements' needs to be accompanied by a robust communication plan to ensure the full commitment of management and staff to the target and secure business continuity from Day 1 onwards.

Clean Team Process

Clean Teams are essential for assessing synergy potentials and deriving specific synergy measures and actions. Working with legal advisors to establish a robust clean team structure and approach can enable management teams to use advisors to drive detailed synergy planning to a high degree of confidence in data-sensitive environments.

IN ADDITION TO ACHIEVING BUSINESS CONTINUITY ON DAY 1, REFINEMENT AND ACCELERATING SYNERGY PLANNING SHOULD BE THE KEY FOCUS (CONT'D)

RECOMMENDATIONS TO DECISION MAKERS

1 Refine investment thesis from DD Phase to implementation readiness

- Review and refine value-creation findings from the Due Diligence phase and develop a solid action plan and implementation roadmap based on priorities
- Confirm guardrails and perimeter for the Target Operating Model across all key dimensions (e.g. org. design, go-to-market approach, operations, IT, legal structure

2 Leadership acting by example

- Align the combined leadership with deal thesis and PMI priorities to ensure full buy-in to plan with prioritized initiatives (e.g. impact, value-creation, risks)
- Communicate proactively with a clear messaging about timing of decisions and use retention techniques to engage key talents in the planning process to ensure a smooth Day 1 and seamless delivery of the objectives post-close
- Implement the governance and drive set up of the IMO to facilitate a head-start on Day 1 and the implementation of a Day 100 plan

3 Facilitate a head-start on Day 1

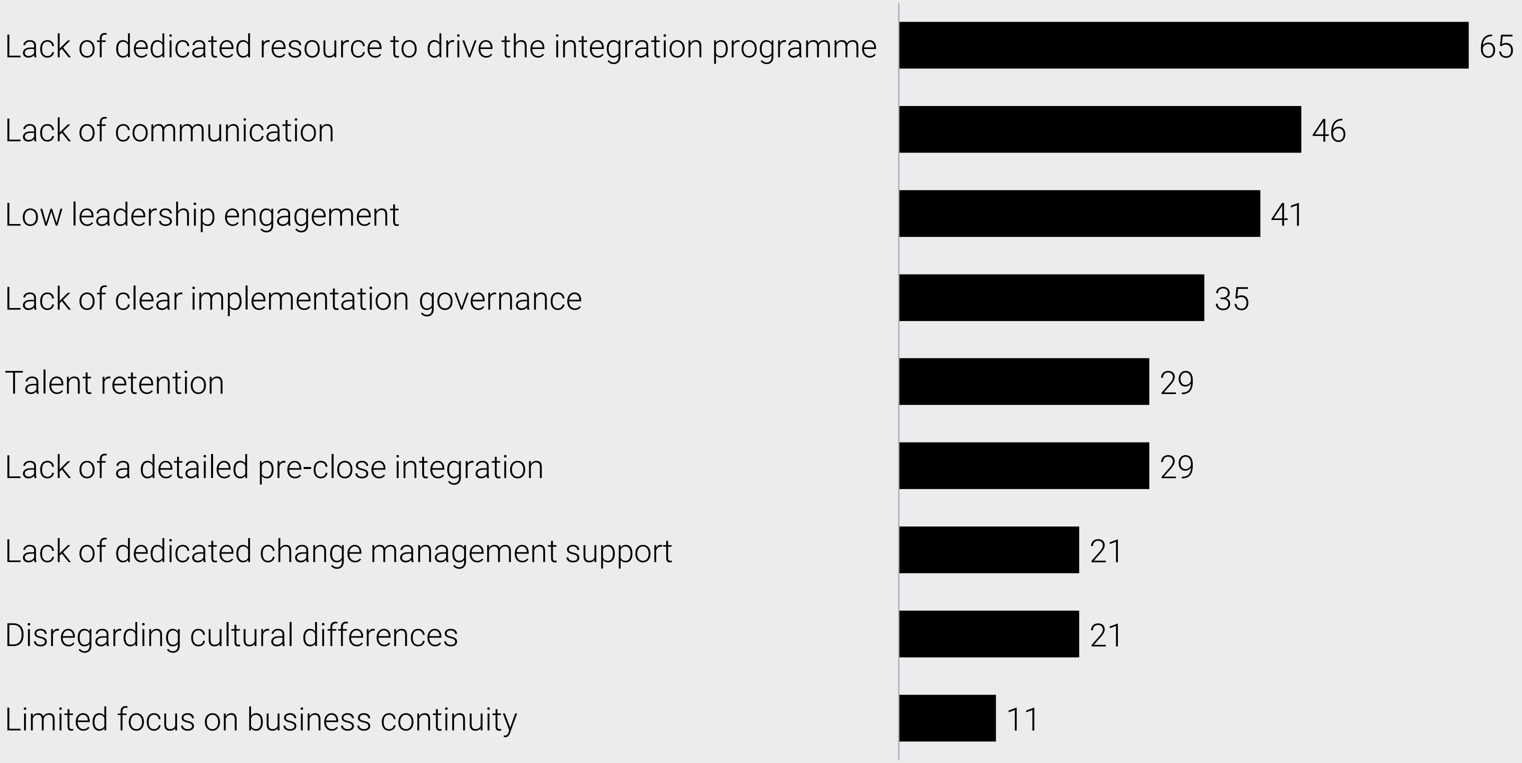
- Make use of a well-structured clean team process to gain speed when developing and refining more robust business cases with higher certainty for deal thesis
- If required, take a proactive approach to engage in the merger control process addressing concerns – mitigating risk of uncertainty, lengthy and complex reviews

IN THE IMPLEMENTATION PHASE, LACK OF DEDICATED RESOURCES TO DRIVE THE PROGRAMME AS WELL AS LACK OF COMMUNICATION AND LEADERSHIP ARE SEEN THE BIGGEST IMPLEMENTATION RISKS

SURVEY RESULTS

Which of the following present the **biggest risks to implementation?** (choose up to 3)

As %



INTERVIEW INSIGHTS

Clear commitment from the leadership is essential to secure buy-in.

DAX 40, M&A executive

Post-merger integration is, of course, a time of great uncertainty, for employees, and acquirers can mitigate this by communicating early and decisively.

Hendrik Engelhardt, Carve-out & PMI Expert, AlixPartners

Note: The chart shows the share of survey participants that provided the respective answers

COMMITTED RESOURCES, FOCUS ON DRUMBEAT AND ENSURING BUSINESS CONTINUITY ARE CRITICAL IN THE IMPLEMENTATION PHASE

SUMMARY OF FINDINGS

Implementation risk objectives

Lack of having the right and dedicated resources to drive the integration programme is assessed as the highest risk. While not being able implementing the necessary action steps from a capacity perspective is one, other main risks were identified as either having no or not appropriate communication, which most often goes in hand with the third risk element, low leadership engagement and accountability.

More reporting vs drumbeat and execution focus

Often project managers in charge of driving the overall implementation act on 'passive' controlling and monitoring without a 'getting it done' attitude focusing on impact

Top-down opportunity planning insufficient

Top-down targets need to be substantiated by bottom-up initiatives that are implementable. From Day 1 onwards, all resources and attention must shift to fast implementation mode.

Disruption of 'daily' business

Especially in complex situations, there is a risk that the ordinary course of business is disrupted, key customers are lost and talent leaves and hence envisaged value thesis cannot be realized.

Focus on internal issues vs value-led integration

Important PMI projects need to tackle internal issues as employees are sometimes reluctant to change and anxious about their future position. Only actual involvement and commitment of leadership to guide resources can ensure success.

COMMITTED RESOURCES, FOCUS ON DRUMBEAT AND ENSURING BUSINESS CONTINUITY ARE CRITICAL IN THE IMPLEMENTATION PHASE (CONT'D)

RECOMMENDATIONS TO DECISION MAKERS

1 Governance with dedicated resources, responsibilities and priorities

- Clear governance model defined and communicated prior to Day 1
- Dedicated resources – either internal or external – with the required capabilities need to have the mandate to drive the integration

2 Assemble a team with experienced and senior people

- Integration and implementation of value creation is not a box-ticking exercise
- Investors need to trust on people defining a sound deal thesis with proven ability to execute and deliver
- Experienced advisors being part of team can support to gain speed, achieve value-uplift and implement sustainable results

3 Communicate effectively, and maintain customer and employee focus

- Transparent and consisting communication to internal and external stakeholders is important to inform on changes, implications and related goals
- Ensuring the retention of key customers and talent is critical and this must not be put at risk by the PMI
- While higher than normal attrition is to be monitored during PMIs, minimizing productivity disruption is critical

03 PMI DEEP-DIVES

3.1 Target Operating Model (TOM)

3.2 Value Creation

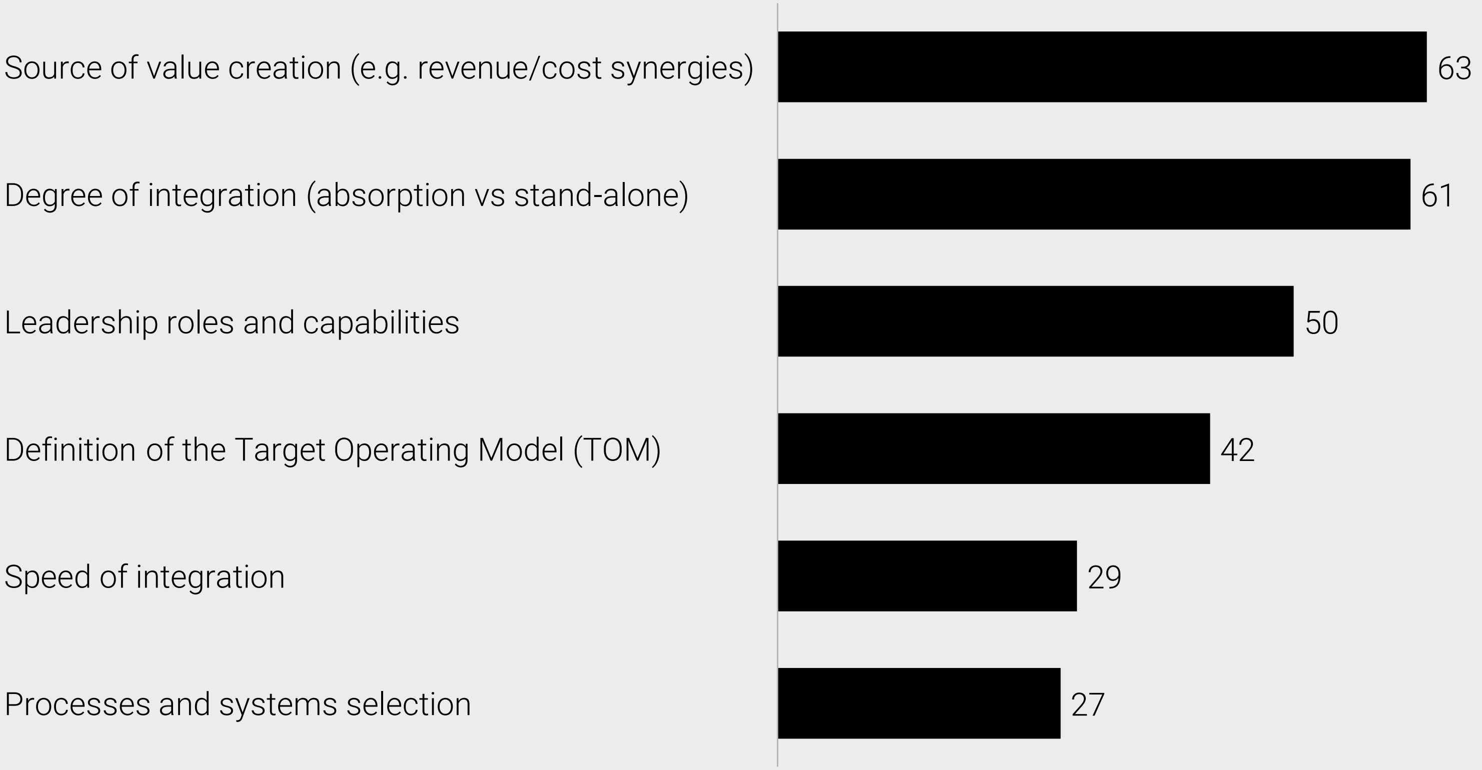
3.3 Governance and Change Management

THE OVERALL TARGET OPERATING MODEL DESIGN AND LEVEL OF INTEGRATION TYPICALLY DEPENDS ON THE TYPE OF SYNERGIES

SURVEY RESULTS

Which are the most critical elements when considering the **target operating model** of the integrated organization? (choose up to 3)

As %



INTERVIEW INSIGHTS

Developing the TOM requires an in-depth look at both the acquirer and target organizations. A clear vision of integration principles aligned with the deal thesis is essential to achieve synergies effectively.

Mid-Cap, CFO

The operating model typically follows the acquirer's structure. However, we need to consider especially cultural aspects of the target as well to build a strong combined entity.

Michael Wabnitz, Head of M&A DACH, AlixPartners

Note: The chart shows the share of survey participants that provided the respective answers

A CLEAR ROADMAP FOCUSSING ON BOTH SHORT- AND LONG-TERM TARGETS IS ESSENTIAL TO BUILD THE TARGET OPERATING MODEL

SUMMARY OF FINDINGS

Critical elements for the TOM design

The TOM is predominantly shaped by the source of value creation and the envisaged degree of integration. Leadership roles and capabilities as well as cultural aspects also build an important input factor for the selection of design components and the detailed conceptualisation.

Key focus areas

Following vision & strategy, the TOM needs to cover important dimensions to evaluate feasibility and create blueprint, e.g.: Organization, Governance, People, Processes & Technology, Interfaces and Culture.

Be clear on objectives

The acquirer needs to be clear on the overall objective of the acquisition considering strategic goals and synergies.

Key questions

Needs to be answered for the overall PMI approach as a starting point of the value creation program and TOM

- How will this integration be approached?
- What are the sources of value creation?
- How will we integrate the organization and people?
- What values and cultures do we want to have?

A CLEAR ROADMAP FOCUSSING ON BOTH SHORT- AND LONG-TERM TARGETS IS ESSENTIAL TO BUILD THE TARGET OPERATING MODEL (CONT'D)

RECOMMENDATIONS TO DECISION MAKERS

1 Make early decisions on Target Operating Model guardrails

- Align combined leadership around operating model principles in line with deal thesis to provide necessary guardrails in which to think about value creation
- Benefit from early decisions to gain time to think how to plan and design a more detailed future state organization and operational structure as result of the favoured integration concept

2 Develop a clear roadmap short to long term

- Clear guardrails defined and aligned for the TOM set the ground to develop a consistent integration plan
- PMI roadmap must consider critical constraints broken down into actions with roles, responsibilities and milestones to allow efficient bundling of capabilities

3 Align the operating model with the synergy targets

- A comprehensive playbook must be in place to develop a clear roadmap to achieve the synergy targets, e.g.:

  Target org structure: Functions and roles aligned with strategic objectives

  Portfolio optimization: Streamlining substitutable products of combined entity

  Go-to market: Channel strategy, pricing structure; sales effectiveness

  Footprint: reduction of number of sites/offices

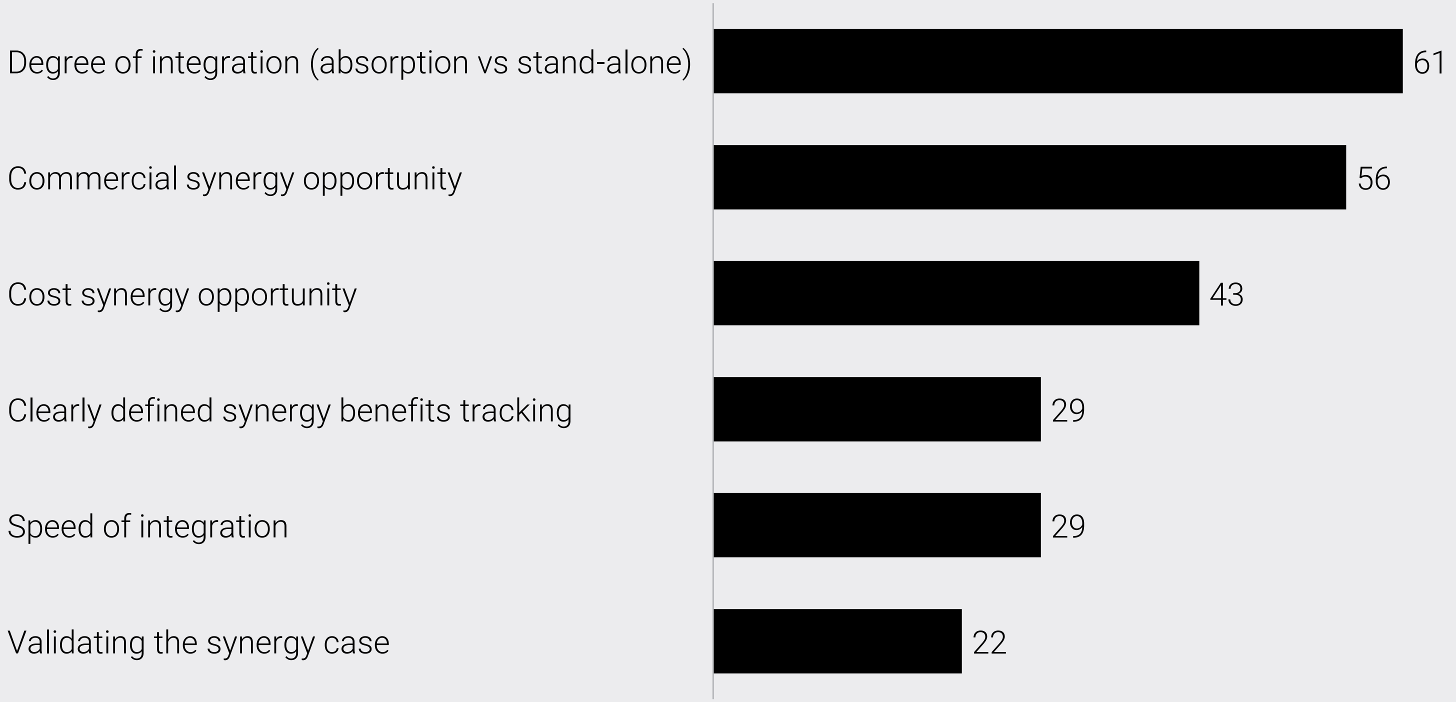
  Support functions: Right size/centralize/outsource

THE DEGREE OF INTEGRATION IS THE MAIN LEVER FOR SUCCESSFUL VALUE CREATION

SURVEY RESULTS

What are the **most critical factors of success to secure value creation via synergies?** (choose up to 3)

As %



INTERVIEW INSIGHTS

We track and monitor the financial performance of our acquisitions / integration projects very closely against our initial investment plan.

Private Equity, Investment Director

Identifying the right sources of value creation, and being clear on the scope of integration and synergies by Day 1, is mission critical.

Fabian Engels, Performance Improvement & PMI Expert, AlixPartners

Note: The chart shows the share of survey participants that provided the respective answers

SYNERGY TARGETS NEED TO BE THOROUGHLY IDENTIFIED AND QUANTIFIED WITH IMPLEMENTABLE ACTIONS

SUMMARY OF FINDINGS

Critical factors to realize synergy value creation

Highest rated success factor assessed by participants is the degree and level of integration, followed by the assumed synergy opportunity potential both on commercial and cost levels resulting from deal thesis. Speed of integration and related tracking of benefits from implementation are further key for the integration progress.

Reasons for failure

The main reasons for falling short of synergy expectations are weak execution, insufficient focus, and a lack of communication. In particular, the lack of prioritization of high impact topics often leads to getting lost in 'integration complexity'.

Speed matters

The first 100 days after closing are a unique window of opportunity to harvest synergies. The sooner identified opportunities are translated into action plan and quantified initiatives, the better an active IMO can start implementing and tracking.

Synergy triangulation

Successful PMIs are characterized by managers developing performance matrix-oriented benchmarks to define top down targets, while at the same time also considering the benefits from a greenfield approach for implementing potentials.

One-off costs

One off-costs are oftentimes harder to estimate than recurring cost savings, particularly when it comes to profound adjustments such as site closures or personnel reductions.

SYNERGY TARGETS NEED TO BE THOROUGHLY IDENTIFIED AND QUANTIFIED WITH IMPLEMENTABLE ACTIONS (CONT'D)

RECOMMENDATIONS TO DECISION MAKERS

1 Implement a proven synergy capture programme

- Identify areas of synergy potential and formulate specific hypothesis
- Quantify the identified synergy potential by triangulation to obtain robust estimate using reference performance matrix-oriented benchmarks combined with benefits from greenfield approach for bottom-up estimate
- Define a set of actions and specify, e.g., action steps, required resources, impact, responsibilities, etc

2 Implement effective synergy tracking as part of the IMO task

- Effective tracking requires a fact-based identification and quantification of synergy effects – quantifiable EUR amounts per initiative vs light-touch harvey ball assessment only
- Being able to track synergies, both revenue uplift and cost savings in the P&L is key to document progress and to ensure complete realization of full potential envisaged from deal thesis

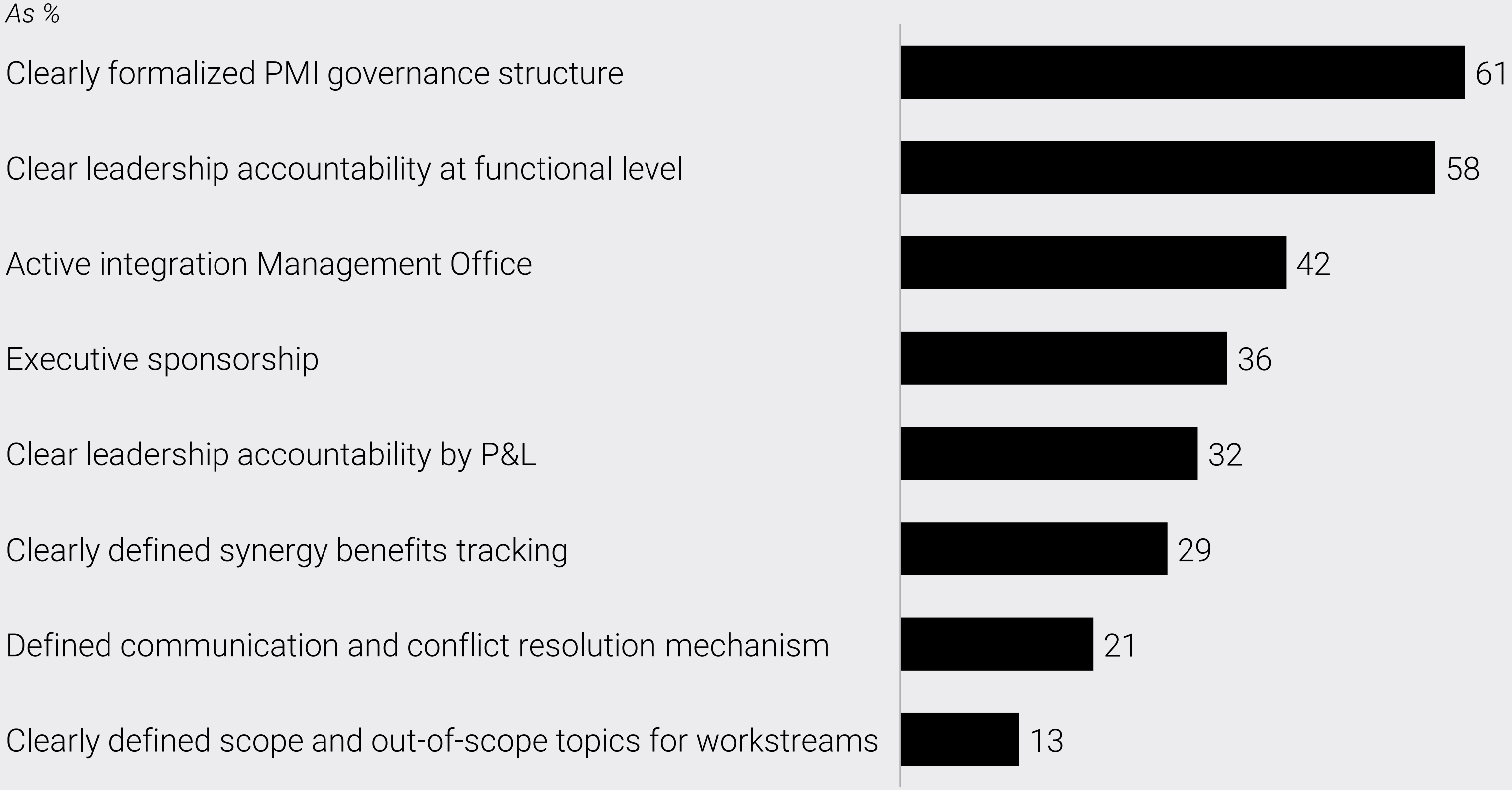
3 Beware of business continuity

- Balance and drive both growth and cost synergies to meet the needs for growth and profitability enhancement
- Nevertheless, beware of business continuity following the principle 'Business continuity first, synergies second, everything else third' as the basis for prioritization of activities for all workstreams

TRANSPARENT AND CLEAR ACCOUNTABILITY AT BOTH THE TOP MANAGEMENT AND FUNCTIONAL LEVEL IS THE MAJOR SUCCESS FACTOR FOR PMI GOVERNANCE AND CHANGE MANAGEMENT

SURVEY RESULTS

Which components/attributes are most relevant in composing **top-class PMI governance?** (choose up to 3)



INTERVIEW INSIGHTS

The compensation of the management of the portfolio companies has to be structured to incentivize achieving synergies fast and in line with acquisition hypothesis.

Private Equity, Investment Director

Any new structure can generate conflict, but clear upfront decisions on the target management structure and leadership roles will establish the respective accountabilities to achieve planned synergies.

Stefan Ohl, Transformation & PMI Expert, AlixPartners

Note: The chart shows the share of survey participants that provided the respective answers

THE ACTIVE INTEGRATION MANAGEMENT OFFICE WITH CONTENT-HEAVY, SENIOR LED EXPERTS IS A KEY PART OF THE CLEARLY FORMALIZED GOVERNANCE STRUCTURE

SUMMARY OF FINDINGS

Key attributes for top class PMI governance

Clear formalization and accountability on function levels are seen as most important components. The success is further determined by the importance of having an Active Integration Management Office (IMO) in place as well as the C-level buy-in and board executive sponsorship.

Active vs. passive Integration Management Office (IMO)

Bringing an IMO to success is to run it not as an administrative task by check the box exercises, but to follow a content-heavy approach with senior experts who ensure the timely and complete realization of integration efforts by challenging the progress, resolving conflicts, introducing new initiatives by leveraging experiences from similar cases.

Executive sponsorship

Strong support secures the necessary resources and oversight are available. Such sponsorship can also help in removing obstacles and ensuring timely decision-making which will be crucial to any integration success.

Accountability by P&L

Financial targets from deal thesis and value-led action program need to be transferred into initiatives to be implemented and tracked – with dedicated responsibility of leadership for respective P&L effects.

THE ACTIVE INTEGRATION MANAGEMENT OFFICE WITH CONTENT-HEAVY, SENIOR LED EXPERTS IS A KEY PART OF THE CLEARLY FORMALIZED GOVERNANCE STRUCTURE (CONT'D)

RECOMMENDATIONS TO DECISION MAKERS

1 Establish governance early with active IMO content heavy approach

- Nominate steering committee: making decisions, providing strategic direction, sponsorship ensuring the achievement of integration objectives
- Implement active IMO: Senior experts follow a content-heavy approach to validate activities and results, recommend solutions, drumbeat program activities, challenge goals and timing, assess resource performance and resolve conflicts
- Dedicated workstreams with accountability: leveraging the workstreams member`s skills and expertise, center to identify, quantify, and realize synergies

2 Make the PMI a C-level priority

- C-Levels to ensure commitment and time/capacity for the PMI showing the entire organization the relevance of the integration project

3 Ensure accountability through the entire deal and integration process

- Ensure that managers responsible for the actual integration/implementation including synergy realization are already part of the deal team and commit to integration targets early on

04 KEY SUCCESS FACTORS

PMI KEY SUCCESS FACTORS

LEVERAGE SYNERGIES

- The motivation of a transaction will differ widely, but leveraging synergies (topline or costs) are typically an important part of most transactions
- Properly identifying and capturing these synergies is often a decisive factor between deal success or failure

SPEED OF INTEGRATION

- We often experience that speed trumps elegance
- It reduces uncertainty and ensures momentum is used
- The short window of time after closing needs to be leveraged to make changes , ideally well prepared in the Sign-to-Close period

ENSURE BUSINESS CONTINUITY

- Companies need to ensure that they can serve their customers with the same (or higher) level of quality as before the transaction
- This continuity need to be achieved prior to closing as well as after Day 1, when e.g. IT systems and payroll processes need to function

COMMUNICATION

- Companies need to address communication to their stakeholders (suppliers, customers, employees, etc.) proactively
- Unambiguous communication towards employees ensures high retention and reduces the risk of disruption

LEADERSHIP

- Leadership builds trust amongst the workforce and ensures that the company stays stable during a time of profound change
- Leadership is not only relevant at the highest hierarchy level: ownership and commitment of the workstream leads is critical, the more so when it comes to addressing cross-functional topics

STRONG PROJECT GOVERNANCE

- No PMI can be fully planned from the outset but it is critical to give structure to the PMI project to avoid confusion and fading of commitment
- It is key to stay nimble and adjust to the situation as it unfolds with the proper responsibilities and processes in place

Overview AlixPartners M&A offering

CONTACTS

SEAN O'FLYNN
Partner & Managing Director
soflynn@alixpartners.com
M: +44 7813 673 917

MICHAEL WABNITZ
Partner & Managing Director
mwabnitz@alixpartners.com
M: +49 172 8555 966

STEFAN OHL
Partner & Managing Director
sohl@alixpartners.com
M: +49 172 8513 083

DR FABIAN ENGELS
Partner & Managing Director
fengels@alixpartners.com
M: +49 152 2472 2180

DR HENDRIK ENGELHARDT
Partner
hengelhardt@alixpartners.com
M: +49 173 6068 967

PHILIPP MARQUARDT
Partner
pmarquardt@alixpartners.com
M: +971 56 2149 677

PHILIPP SCHULT
Partner
pschult@alixpartners.com
M: +49 152 0818 0193

DR FLORIAN STELLNER
Director
fstellner@alixpartners.com
M: +49 172 1018 396

MAXIM VANHENCXTHOVEN
Director
mvanhencxthoven@alixpartners.com
M: +44 7342 089 949

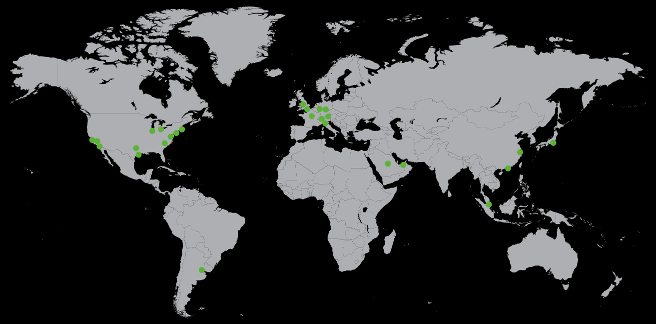
LAURIDS AIGNER
Director
laigner@alixpartners.com
M: +49 173 5640 808

ALIXPARTNERS DELIVERS REAL RESULTS ON MISSION-CRITICAL ASSIGNMENTS AROUND THE GLOBE

WHO WE ARE

1981
year founded

3,500+
professionals



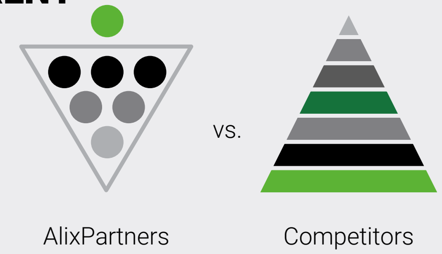
26
global offices across four continents

10
offices in EMEA with 1,000+ professionals

Boston | Buenos Aires | Chicago | Dallas | Detroit | Houston
Los Angeles | New York | San Francisco | Silicon Valley Washington DC
Wilmington | Dubai | Düsseldorf | Frankfurt
Hong Kong | London | Manchester | Milan | Munich | Paris
Riyadh | Shanghai | Singapore | Tokyo | Zürich

HOW WE ARE DIFFERENT

Low leverage
Experienced team structure



High leverage
Junior team structure

Deploy experienced
small teams

Implement results
not just studies and reports

Focus on speed and results
with proven performance across many industries

WHAT WE DO

Performance Improvement	Turnaround & Restructuring	Digital
Revenue & Growth	Chief Restructuring Officer	Digital Experience
Organizational Transformation	Financial & Operational Restructurings	Digital Products
Sourcing & Procurement Transformation	Interim Management	AI & Data
Operations	Whole Company Turnaround	Cloud & Platforms
	Creditor Advisory Services	Tech Modernization
		Cyber Resilience

Risk Advisory	M&A & Transaction Advisory	Corporate Strategy & Transformation
Corporate Investigations & Compliance	Due Diligence	Portfolio Structure & Business Strategies
Litigation & Arbitration	Carve-outs & Exits	Resource Allocation & Operational Efficiency
eDiscovery & Litigation Data Analytics	M&A Strategy	Organizational Capabilities & Incentives
Economics Consulting	Post-Merger Integration	
Valuation & Transaction Support		

AlixPartners

WHEN IT REALLY MATTERS.