

Case study - Mergers and Acquisitions

Context

Our client is a leading private equity company which targets companies in Europe with enterprise values between Euro 150 million and Euro 750 million. They are an integral part of a globally integrated fund which targets investments in most industrial sectors and have core expertise in manufacturing, chemicals, healthcare and packaging.

When in the process of acquiring a Czech food services company, "TARGET", they decided that they needed to bring in supply chain experts, Iguana Business Consultancy, to assist them by evaluating the operational capabilities of the company.



The Challenge

The acquisition was on a fast track and there was a need to evaluate the "TARGET" business with some speed. An added complication was that "TARGET" has subsidiaries in Slovakia and Hungary as well as its main business in the Czech Republic, where it is the largest supplier to the Hotel, Restaurant and Catering (HoReCa) sector .

Iguana's Role

Iguana's role was to evaluate the logistics part of the business by:

- Visiting all the distribution centres operated by the Target in the Czech Republic, Slovakia and Hungary and review the operations
- Gaining an understanding of the operation
- Commenting on:
 - ❖ The quality of the operation and its management
 - ❖ Potential capacity limitations
 - ❖ The quality of management Information
 - ❖ Any concerns regarding the operation
- Commenting on any other point of interest observed during visit
- Recommending any further actions which the client might wish to consider in relation to the findings

Mergers & Acquisitions

Case study (cont.)

Successful completion

The project was undertaken by one of the Iguana Consultants who had previous experience of operating logistics businesses in Central Europe.

The visits and reports were completed in line with the originally agreed time scale of four weeks from start up of the project to ensure that this aspect did not hold up the acquisition process.

The client has now signed a definitive agreement to acquire "TARGET" and subject to merger clearances and approvals, completion of the transaction is expected to take place in Summer 2005 for a total enterprise value of approximately EUR90 million (US\$113 million).

The client continues to work with Iguana on similar reviews of other potential acquisitions.

