

End 2 End M&A

MANUFACTURING | FOOD AND BEVERAGE | THE NETHERLANDS

Global nutrition company embarks on multi-divestment journey

The Deloitte VCS team supported our Client with a structured end-to-end M&A approach to deliver multiple small- and large-scale divestments.

Client Issue

The company, a prominent producer of nutritional health products, embarked on a journey to transform the company into a more flexible organization that can adept to market developments. Deloitte played a pivotal role in supporting the company through its first major divestment and thereafter provided E2E M&A support for various divestment processes.

Building upon the success of the first divestment, the company opted to divest another global business area, wherein the carve-out implications involved separating and integrating multiple functional areas to create a perimeter that was ready for sale. Notably, the perimeter lacked a standalone cost base and was supported by central overhead functions that had to be replicated. Given that this was their first global divestment, our client required additional guidance to navigate them through the end-to-end carve-out process. Deloitte was selected based on our proven expertise in effectively delivering highly complex global separations and the experience of working together as a team at previous engagements.

Solution

Deloitte actively engaged in supporting the company throughout the entire deal lifecycle, from perimeter design, to signing readiness and Transitional Service Agreement (TSA) exit support. The objective was to formulate a winning approach that could be used for multiple divestment processes and reduced time between Signing and Closing.

Addressing carve-out implications and providing vendor assistance, Deloitte responded precisely to the company's needs. This involved analyzing carve out complexity, preparing carve-out financials, conducting benchmarking analysis, and performing in-depth analyses of standalone costs. Deloitte's support included creating a comprehensive separation memorandum covering Financial, IT, Pension, and Tax areas. Deloitte also played a crucial role in supporting the creation of Sale and Purchase Agreements (SPAs) and detailing as well as delivering the Day 1 Readiness plan, showcasing its ability to navigate diverse aspects of the divestment process.

Additionally, Deloitte contributed to essential planning for mitigating stranded costs as a result of exits from TSAs, enhancing the overall value and efficiency of the divestment process.



Impact

Organizations often divest business units to streamline core operations or eliminate unprofitable products or services. Our proficiency in carve-outs is tailored to facilitate the seamless execution of successful transactions, maximizing overall value. In this case, the Value Creation Services team made the following impact:



Successful sale

with an enhanced negotiation position



Smooth transition

with a strategic planning



Value optimization

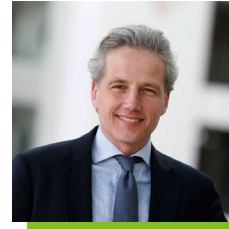
from EBITDA improvement plans



Elevated readiness

By providing detailed insights

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