



Your Outsourced M&A Department in Germany

Managing your M&A Project

The PSP M&A Expertise

Our know-how in **M&A project management** is based on long-term customer experience in transactions with financial or strategic investors combined with specialization in:

- M&A law
- financial investigation and presentation
- business evaluation
- taxation and structuring.

Peters, Schönberger & Partner (PSP München) is a highly recognized mid-sized consulting firm based in Munich, Germany.

We combine our thinking and acting as entrepreneurs with the know-how of lawyers, financial and tax experts specialized in transactions and working together in one team. Our M&A experience is spanning more than 35 years.



Who Are Our Clients

- **German Mid-Sized Enterprises** that are not large enough to afford their own in-house M&A department but interested to buy or sell a business. We are experienced in managing a buy-side transaction process, even when the target is located abroad.
- **Large Enterprises** that are large enough to afford their own M&A department, however, the “corporate M&A department” is requesting additional capacity due to a work overload or in case the in-house department does not want to handle the transaction due to its relatively small size.
- **International Clients** who want to acquire (or sell) a German/European business. These clients may or may not have an in-house M&A department, but see the advantage of having a partner based in Germany capable to manage a transaction in Europe, especially in Germany.
- **German Business Entrepreneurs** who want to divest (“sell-off”) their entire business or one or more business lines.
- **Private Equity or Family Investor Management Firms** that normally manage their M&A transactions themselves and engage PSP only for specific subareas. However, they sometimes also request additional capacity and want PSP to take the lead for the whole or for parts of the M&A project.

What We Can Do for You

- **Project management:** Supporting you through all steps of a transaction process, including:
 - Initiation of a professionally organized project; structure and scale the individual steps to ensure success
 - Drafting of the information memorandum and identification of strategic or financial investors possibly interested in the transaction; setting up and managing a bidding process in order to maximize the profit of the seller
 - Taking the lead in all communication with the other party to the transaction
 - Review of business plans; evaluation of targets or businesses; determination of purchase/sales prices (including variable components if required)
 - Selection and coordination of potential additional advisors (PSP recommends to engage third party advisers to cover areas PSP is not specialized in; e.g.: niche market analyses, review of specific technical or IP issues, environmental investigations or foreign business or tax law)
 - Realization of the transaction including all legal or financial post closing matters
- Providing you with **expert legal, financial and tax know-how:**
 - Drafting and negotiating all agreements required for the completion of a transaction
 - Conducting legal, financial and tax due diligence
 - Providing specific advice on tax structuring of the acquisition or divestment
 - Advice on management participations
- Creating **presentations** for **key decision-makers**

Our USP in Comparison to Competitors

- **PSP is a multidisciplinary consulting firm** in which financial experts, lawyers, tax consultants and auditors work together. Therefore, besides our expertise in managing the transaction process itself, PSP additionally provides legal, financial and tax expertise. As a consequence, you will not face additional costs for engaging several professional firms and the communication and coordination between them.
- **PSP normally operates in small core teams** from 2 to 4 persons – all of them representing a senior level of many years' experience. Therefore, PSP operates efficiently and flexible and is thus able to find innovative solutions tailored to each client's needs.
- **PSP does not ask for success fees.** PSP calculates its fees normally on an hourly basis. PSP is therefore independent in its recommendations to the client, especially when suspicion arises that a transaction may be unfavorable and should therefore be abstained from.
- **PSP clients are** predominantly **mid-sized firms** and **family owned businesses** or **strategic/financial investors** focusing on mid-sized transactions. PSP has therefore a very strong fit to transactions in which either small or mid-sized targets are involved or in which a family business is involved as seller/purchaser.
- **PSP handles international engagements** in collaboration **with trusted local firms** to which PSP has built up close personal and professional relations over many years. This enables us to provide timely and effective advice in complex cross-border M&A engagements.
- **PSP's areas of expertise are not limited to M&A consulting.** If some decisions regarding the transaction have to be based on criteria which are not typical for an M&A transaction, PSP is also able to include such aspects in its proposals (i.e. inheritance law or complex tax planning questions).

Case Study 1 (Buy-Side Transaction)

- PSP advised a leading system supplier for packaging of pharmaceuticals in blisters and bottles worldwide with headquarters in Germany on acquiring the Dutch manufacturer of counting and packaging systems.
- PSP advised the buyer in an all-encompassing way and covered the typical areas of legal, tax, and financial apart from representing the client in the negotiations process. In respect of the financial and legal due diligence work, we cooperated with local Dutch partner firms.
- The parties agreed not to disclose any information as regards the purchase price.
- By taking over the company, our client strengthened its market position in the field of bottle packaging systems and expanded its strategic offer by including the key technology for counting modules. The target's core competence is the "counting and separating" of sensitive products from the pharmaceutical, food, consumer goods, and agricultural industry. For the target, affiliation to the buyer secured the long-term future of the company and provided access to new markets.



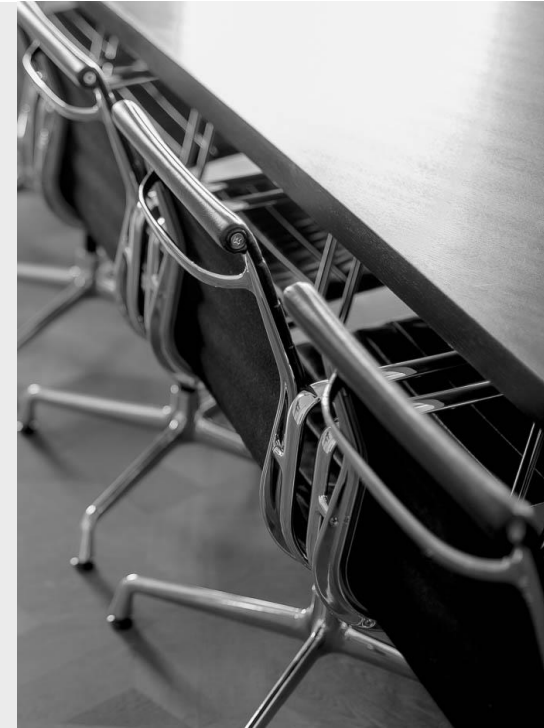
Case Study 2 (Buy-Side Transaction)

- PSP advised a China based and state owned group of companies in the acquisition of a well-known German trademark.
- PSP was the main advisor to the client performing the due diligence work from a legal and tax perspective. PSP further advised on specific business and financial related questions and led the team of other advisors involved like IP counsels.
- PSP also negotiated the principle terms of the transaction and also the detailed SPA with the seller throughout the entire process.
- One of the core challenges in this process was the „translation“ of the characteristics of an M&A transaction in Europe to a client with a different mind set and experience based on Chinese mentality.



Case Study 3 (Buy-Side Transaction)

- PSP provided a “one-stop shop” service to the U.S. public company in the acquisition of the two German sister companies and its Czech subsidiary. With regards to the Czech subsidiary, we cooperated with a law firm in Prague.
- PSP represented the buyer, a global designer and manufacturer of motion control products focused exclusively on serving the motion control market, in the execution of the transaction regarding the acquisition of the German drive technology and engineering companies, and the Czech subsidiary with a transaction value of € 20 million.
- The buyer is the parent company of several operating units in various locations throughout the world, which designs, manufactures, and sells motion control products that serve various industry sectors. The target designs and manufactures customized, innovative synchronous motion systems for highly demanding applications, from medical technology and robotics to cargo aviation and building technologies, as well as various commercial applications.
- Our transaction advice included:
 - (1) Negotiating the Letter of Intent including valuation and pricing logics
 - (2) Financial, Tax and Legal Due Diligence
 - (3) Advisory regarding final purchase price determination
 - (4) Legal support (SPA drafting and negotiations)
 - (5) Post closing services



Case Study 4 (Buy-Side Transaction)

- PSP advised a German private equity company on the acquisition of a German based manufacturer of consumer life style products. The transaction encompassed a German holding company, an operational company in Germany and its subsidiary in the US as well as a sister company in which the relevant IP was bundled.
- The seller was the founder of the company (and his co-investors) who was also the inventor of all relevant products of the target.
- PSP carried out the entire financial and tax due diligence as well as the supervision of the due diligence procedures in the US carried out by a US tax and law firm.
- PSP was also responsible for the tax structuring of the acquisition. This was especially demanding due to having involved German and US tax law, companies with different legal formats (German and US limited liability companies, German partnership) as well as German and US persons on the sellers' side. The structuring also included the reinvestment of the sellers into a new established holding company.
- PSP also advised regarding the final purchase price determination including the equity bridge and working capital, debt and cash ratios.
- After the acquisition PSP became involved in regular compliance work including annual audit and tax advise.



Case Study 5 (Sell-Side Transaction)

- PSP advised a German mid-sized family office that holds shares in various manufacturers of automotive parts, some of them in Germany, some of them abroad. In order to divest a 90% share in a Dutch manufacturer and cash out, PSP was engaged to organize the whole transaction.
- PSP drafted the Information Memorandum making use of information provided by the target company upon request of PSP. It contained financial, tax, and legal information about the target without constituting a vendor due diligence report.
- PSP identified a number of strategic and financial investors possibly interested in the transaction (“long list”). The long list was discussed and reduced with the client, resulting in a short list, and a teaser was sent out to the short list parties in order to find out about their interest.
- All parties that indicated an interest were provided with an NDA and, after counter-signing the NDA, with the Information Memorandum about the target company.
- After receiving and analyzing the Information Memorandum, PSP organized a management presentation for each interested party. PSP then invited each of the interested parties to issue an offer letter. The incoming offer letters were analyzed and a table for purposes of comparison was produced and discussed with the client. The client followed PSP’s recommendation to enter into further negotiations with one of the interested parties.
- PSP supervised the due diligence process of the interested party, routed and answered questions, and kept up with the documents put into the data room to maintain the same level of knowledge the interested party had.
- After the due diligence process, the equity bridge and the SPA was negotiated by PSP with the interested party. PSP’s client was involved in deciding upon the „big issues“ on the basis of proposals which had been prepared by PSP in terms of the risks, chances, desirable position, deal-breaker potential, etc. of the respective issue.
- Finally, the SPA was signed by the client and the interested party, and the shares were transferred.

Case Study 6 (Sell-Side Transaction)

- A leading manufacturer of motor vehicle safety testing equipment and high quality workshop equipment for more than 40 years divested one of its subsidiaries. The subsidiary generated annual revenues of approximately € 40 million in the area of special vehicle test stands for development and production centers within the industry. The innovative testing technology is highly-recognized in the fields of electric mobility, autonomous driving, and the development of driving assistance systems. In addition to vehicle test systems for road driving simulation, the subsidiary is highly recognized in the areas of measurement technology for stationary and mobile (RDE) exhaust gas analysis as well as flexible test stand automation software in Germany and globally.
- The background for the divestment was the parent company's increasing focus on its core business. The subsidiary was originally a profit center within the parent company which span off as a separate legal entity over ten years ago.
- PSP advised the parent company as project leader in all respects of the transaction process, starting with the preparation of the Information Memorandum and ending with the closing of the transaction.



Reference List

PSP advises most of the following clients regularly (in more than one transaction):

- AEM Unternehmerkapital GmbH
- Allied Motion Technologies Inc., Amherst/USA
- Alveus Beteiligungen GmbH
- Argos GmbH
- Corporate Diligence Specialists LLC, San Francisco/USA
- Corporate Finance and Healthcare Group, Newcastle/UK
- Elber GmbH, Regensburg
- Family Trust Investor FTI GmbH
- INDRO GmbH & Co. Industriebeteiligungs KG
- Lamont Capital GmbH
- MAHA-Gruppe, Haldenwang
- Maxburg Capital Partners GmbH
- Orlando Management AG
- Perusa GmbH
- POLYTEC GROUP, Hörsching/Austria
- Rigeto Unternehmerkapital GmbH
- Schlemmer GmbH
- Shanghai Baolong Automotive Corporation, Shanghai/China
- Sichuan Changhong Electric Co., Ltd., Mianyang/China
- Uhlmann-Gruppe, Laupheim
- ZGS Schülerhilfe GmbH & Co. KG

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