



# EFESO'S MERGERS & ACQUISITIONS COMPETENCE

Identifying and maximizing the value growth potential

**EFESO**  
MANAGEMENT CONSULTANTS

PROCUREMENT  
**INSIGHT**

# EFESO's viewpoint on unlocking M&A deal value growth potential

M&A deal values indicate a strong market outlook, but significant challenges exist before and after transactions. Safeguarding deals and maximizing value creation are key priorities.

To achieve this, businesses must recognize that in-depth operational due diligence is essential in every M&A transaction with a product and technical dimension, ensuring seamless identification of growth opportunities and minimizing risks.

EFESO's expertise in **technology & product know-how**, coupled with our **realization strengths**, empowers private equities to unlock value creation and successful M&A deals.



**Dr. Kenneth Sievers**  
Partner



**Martin Kruschel**  
Senior Partner

This presentation highlights EFESO's comprehensive approach to identifying and maximizing value growth throughout the M&A process.

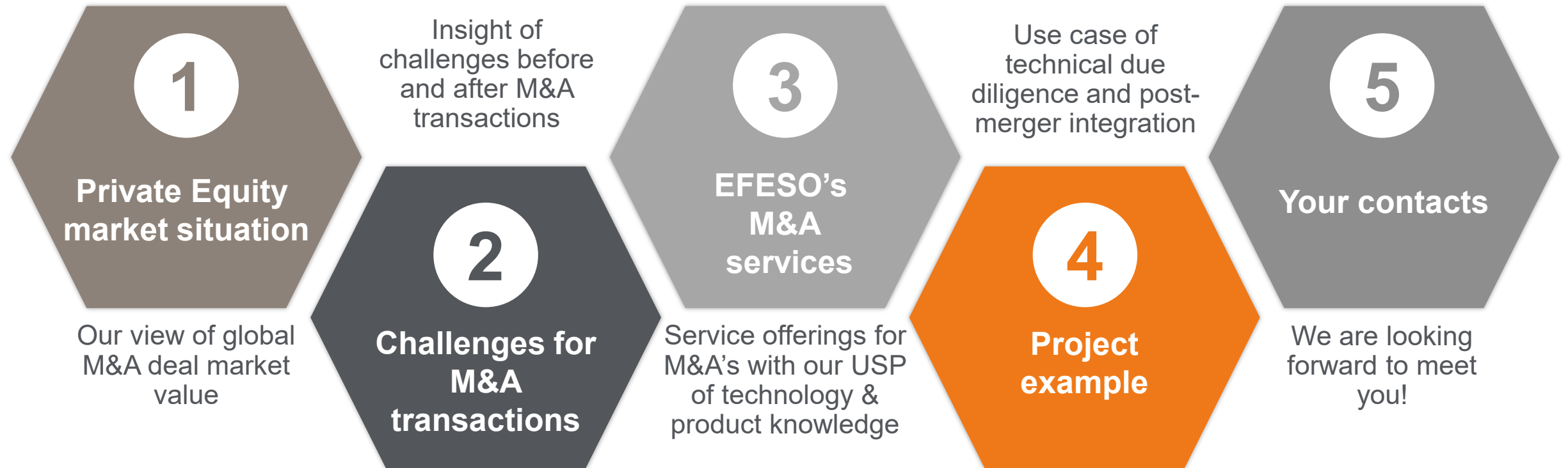
We provide support throughout the major stages of M&A transactions, beginning with in-depth operational due diligence. Our deep expertise in technology & product know-how enables us to assess operational and technical risks alongside their financial impacts.

Our methodology focuses on optimizing value and enhancing operational efficiency to drive successful M&A outcomes by addressing the critical challenges encountered during both the due diligence and integration phase. Leveraging our extensive expertise in technology and product development, we effectively mitigate risks and bridge uncertainties. By navigating obstacles to value realization, we empower our clients to unlock long-term growth and attain sustainable results throughout the M&A process.

In today's competitive market, unlocking growth through M&A is not just an option, but a strategic necessity for long-term success. EFESO equips companies with comprehensive tools, deep expertise, and proven methodologies to optimize every phase of the M&A process - from due diligence to post-merger integration. We help minimize risks, enhance operational efficiency, and maximize value creation at each stage.

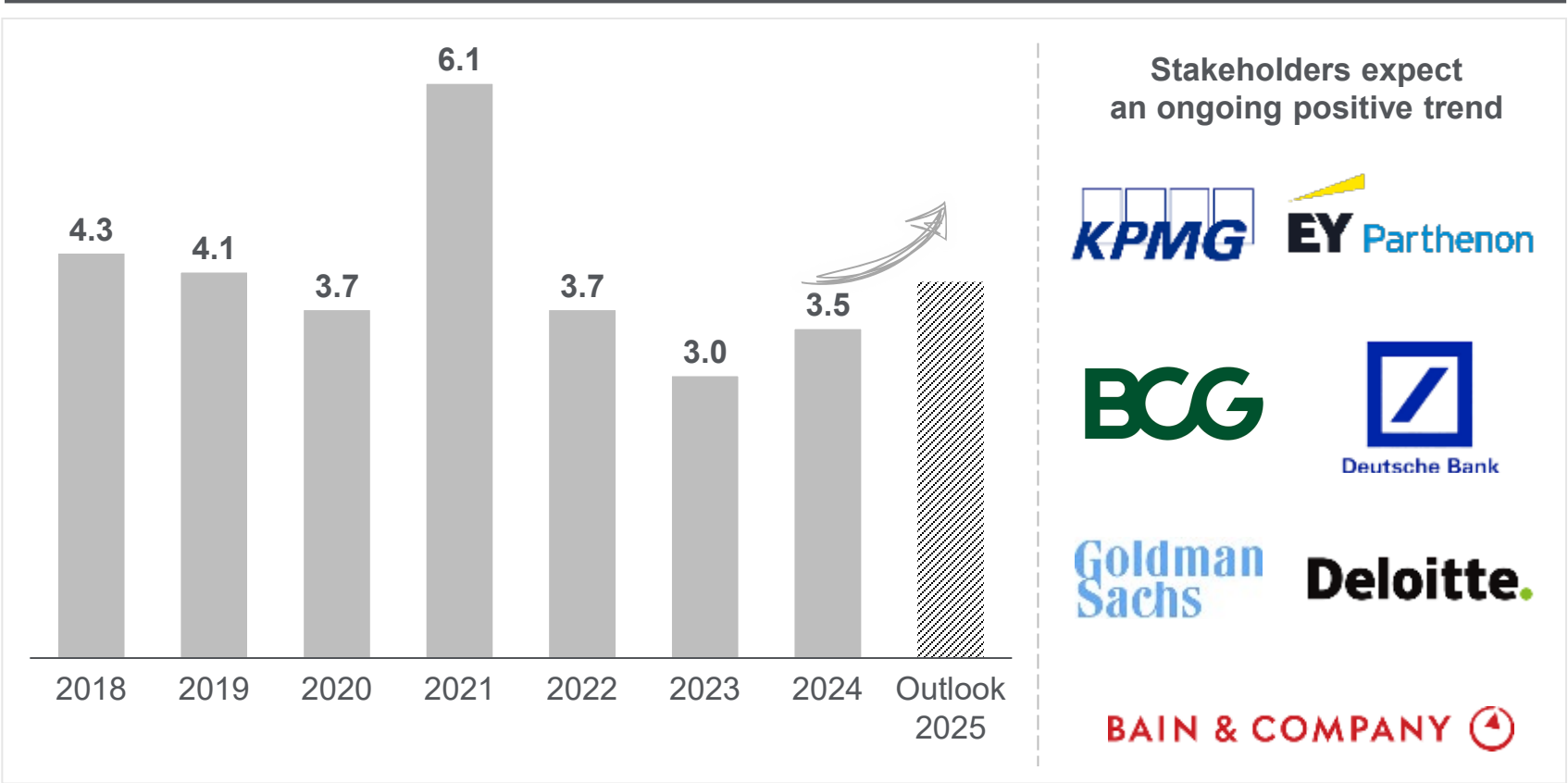
By partnering with EFESO, your organization can transform the complexities and challenges of M&A into tangible opportunities for sustainable growth and strategic advantage. Now is the time to act decisively - engage with our experts to not only drive successful transactions but to secure your competitive edge in a dynamic business landscape.

# Overview




The M&A market remains resilient, with transaction values exceeding \$3 trillion—holding steady despite pre-COVID volume declines—and is projected to grow further in 2025

 Global M&A deal market value (in trillions of USD)



**Q Insight**

- The **M&A deal market value** reached its **bottom** in **2023**
- **Despite improvement in financial conditions, continued caution** due to ongoing **economic uncertainty**, concerns about **inflation** and **monetary policy** as well as **regulatory** and **geopolitical headwinds**
- **Lower M&A activity** over the **past two years** has led to **pent-up demand and supply**, particularly in the private equity sector
- Analysts anticipate that the **market will remain stable** and **experience growth in 2025**, compared to the previous year. Especially in the U.S. market, growth of 20% is expected

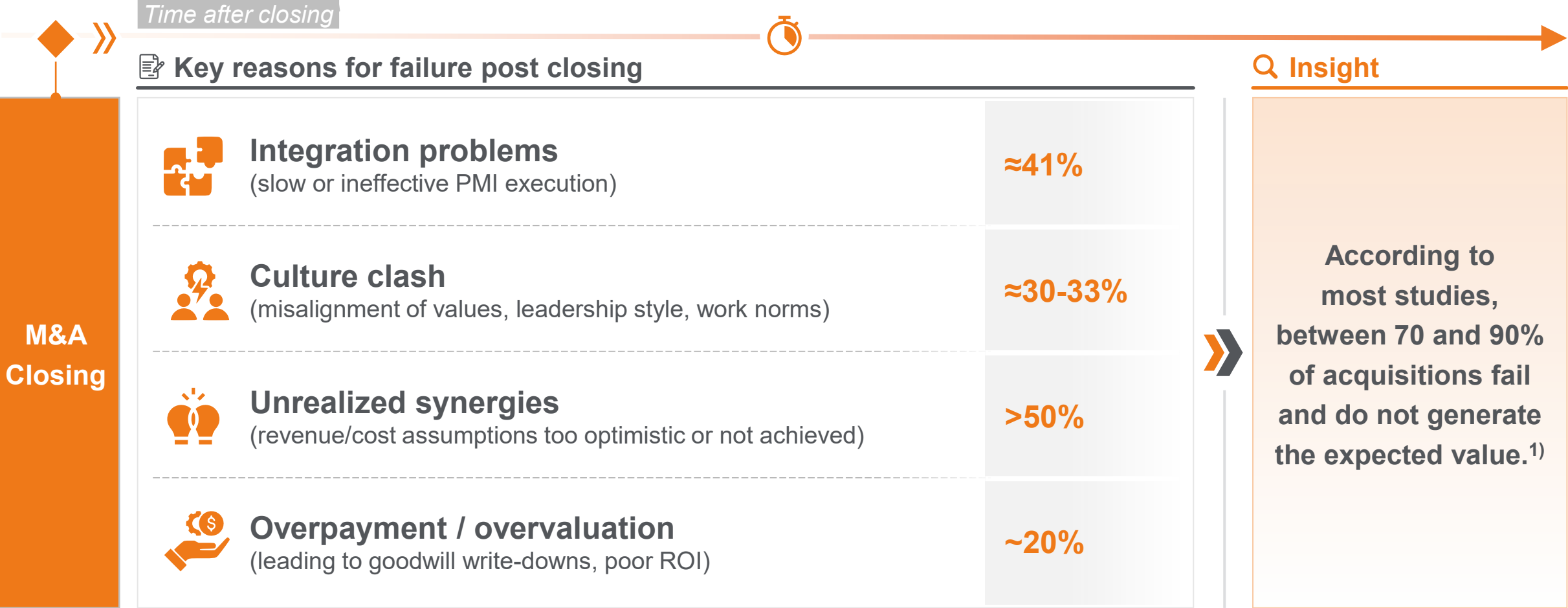
 Despite strong M&A activity and positive growth, challenges persist pre- and post-transaction.

30% of M&A deals are cancelled **before the transaction**, due to a variety of challenges that may arise during the process



Despite 70% of closed transactions, challenges and risks remain post-transaction.

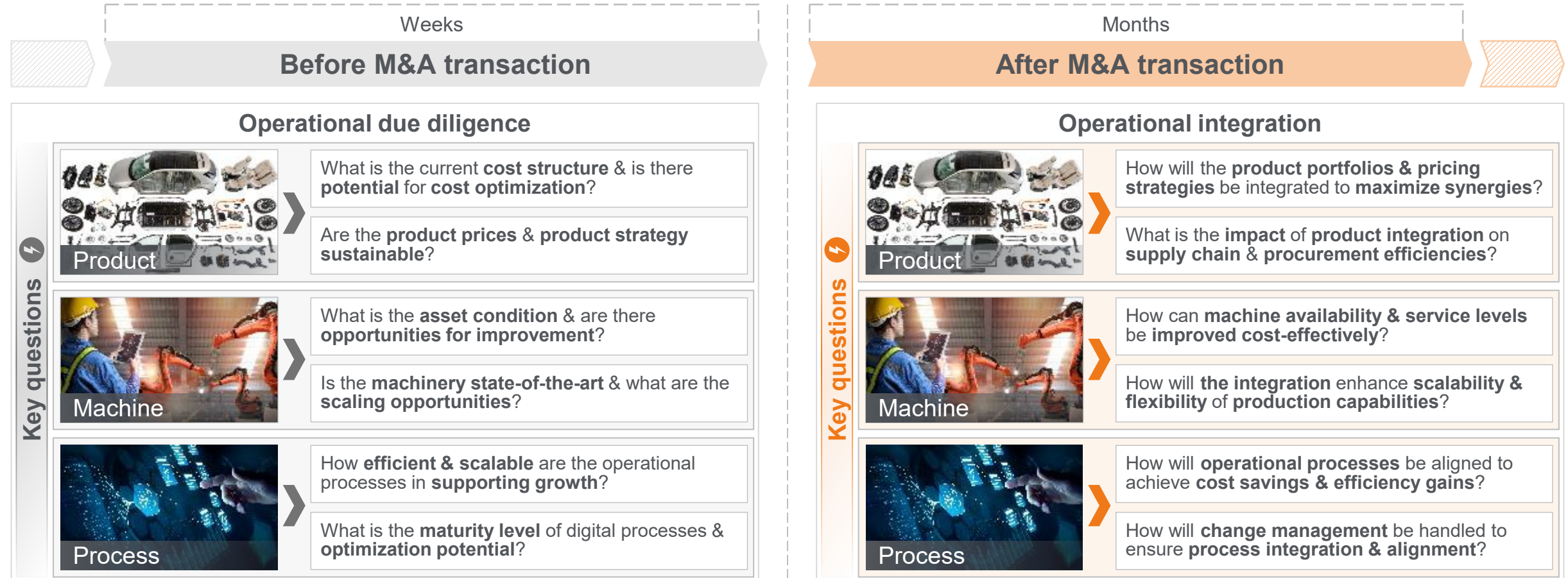
Several risks exist **after the transaction** that result in 70-90% of deals not delivering the expected value



Specific operational questions exist that can lead to suboptimal results if not properly addressed.

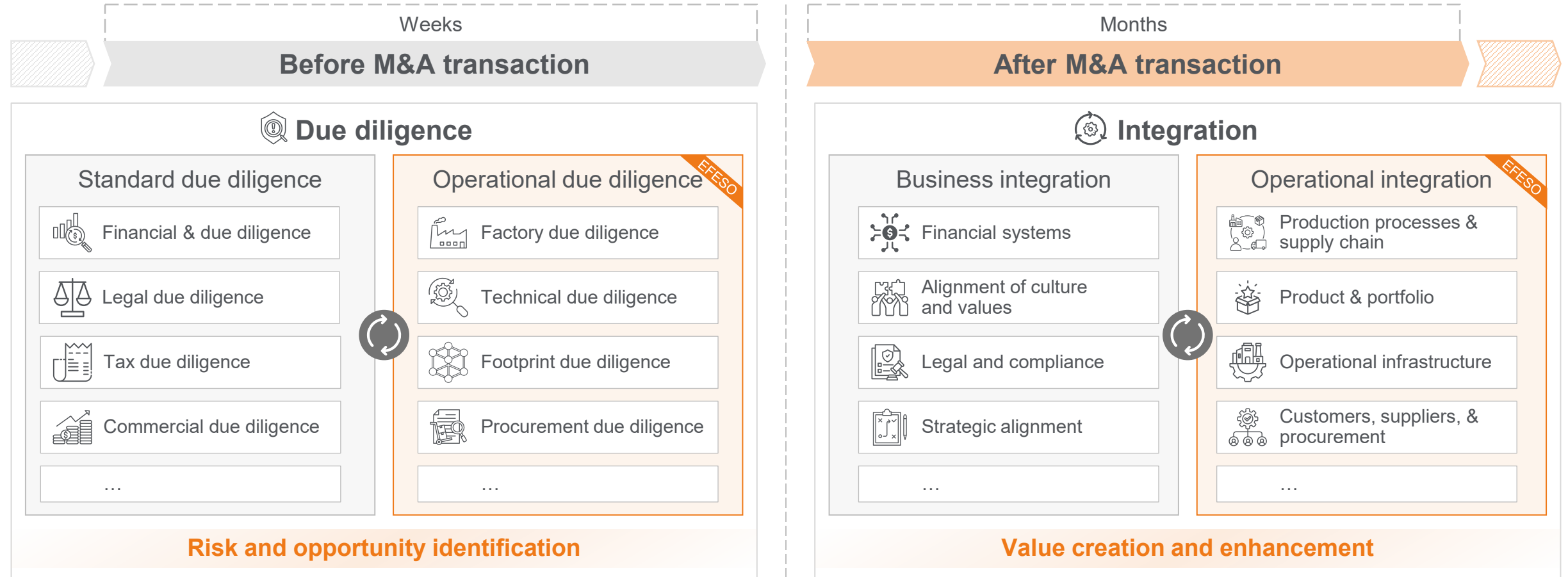


We have identified key operational due diligence and integration questions that are critical to success but often overlooked during the M&A process



EFESO provides a comprehensive range of services to address all operational questions and concerns.

# EFESO focuses on operational due diligence before the transaction and operational integration after the transaction to identify risks and create value



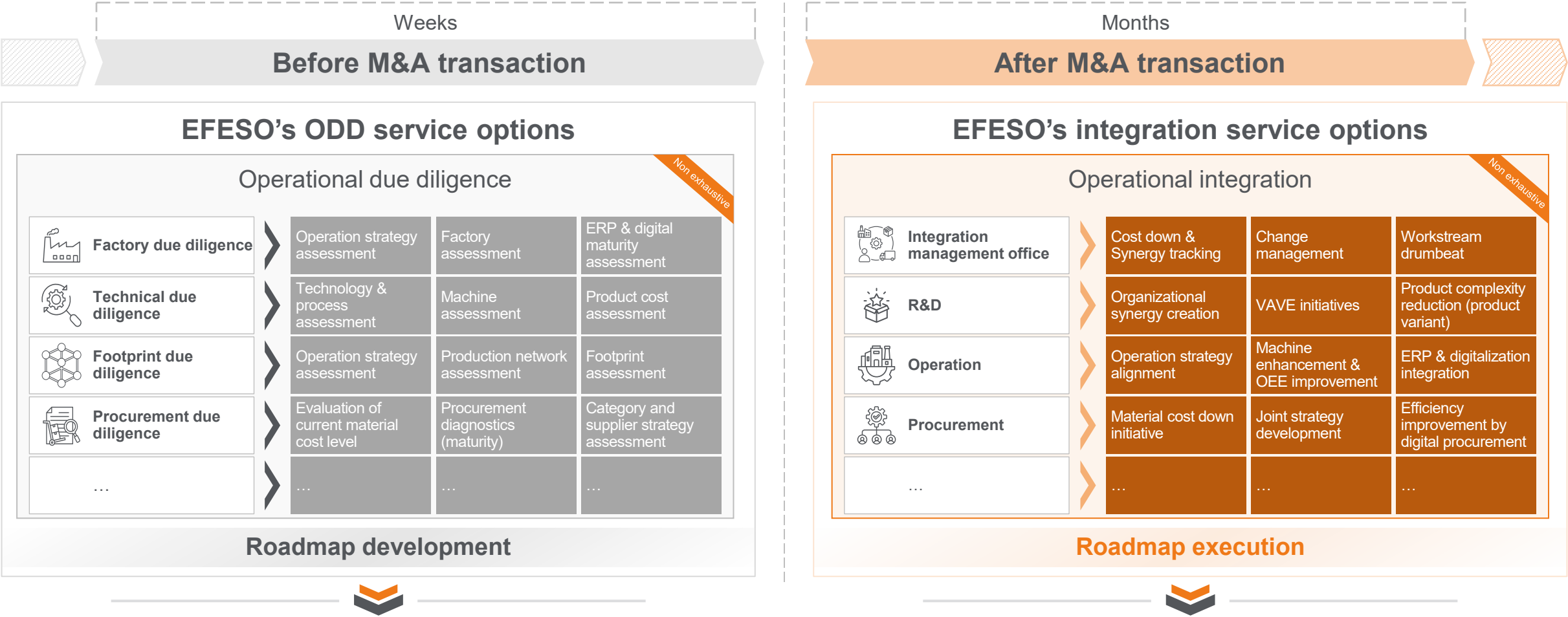
We provide comprehensive, E2E services covering all aspects of operational due diligence and integration.



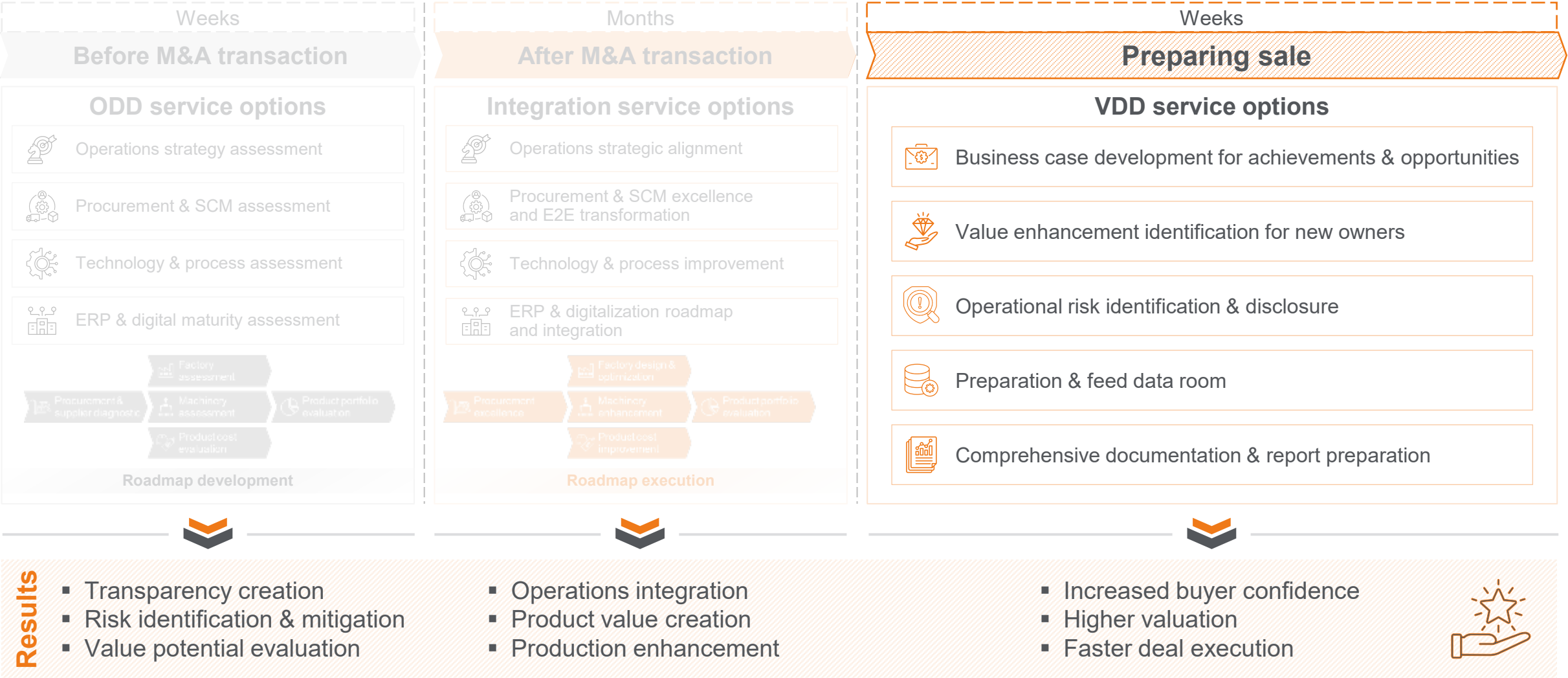
E2E = End-to-end



We support our clients both before and after the M&A transaction with various ODD and integration services



In addition, to our ODD and integration services, we provide a VDD for the resale of a business covering the full M&A cycle



# EFESO's unique strength is its deep expertise in products and technologies across industries, backed by a proven global track record of successful implementation



## Technology & product knowledge

USP

COMPETENCES AND TRACK RECORD

We wield our leading technology and process know-how, gained from >20 years of working with leading automotive players, to reduce product, invest and tools costs

EFESO provides holistic automotive market, technology, and costing insights



## Realization strengths

USP

PROVEN SUCCESS

Why? Because end-to-end success of cost-out projects requires far more than just product cost calculation capabilities – this is what we provide



## Global representation

Global footprint. Local Delivery



## Customer & market knowledge

Our world-leading experts have experience across a broad range of industries





























- **Over 20 years of expertise:** Pioneering cost-out methods in the automotive sector
- **Core competencies:** Technology and process expertise with deep knowledge of product costing (incl. tooling and CAPEX)
- **Full optimization:** Key parts and processes are fully assessed and cost-optimized

- **Hands-on mentality:** EFESO helps clients unlock real savings with practical solutions
- **Proven success:** Over 1,000 supplier negotiations in recent years and different M&A projects
- **Significant impact:** More than €3 billion in sustainable savings achieved for clients

- **Extensive network:** Over 900 consultants working in 75+ countries
- **Proven success:** More than 1,000 projects delivered annually across regions
- **Global reach:** Supported by 30 offices for seamless client access and support worldwide

- **Expertise across Industries:** Our world-leading experts have extensive experience across various manufacturing sectors
- **Trusted by top players:** We collaborate with major OEMs, Tier-1, and Tier-2 suppliers across industries
- **Performance focus:** Proven success in performance improvement projects

We have already proven our strengths in a relevant number of ODDs and integrations for clients in a variety of industries

Target Industry	Project extracts								Non exhaustive	Clients
 <b>Chemicals</b>	Maintenance & reliability	Global industrial plan	Turnaround & CAPEX optimization	Site consolidation	Production optimization	Logistics optimization	Operational strategy	Manu- facturing optimization	  	
 <b>Consumer Services (B2C)</b>	Add on acquisition	Product portfolio optimization	Global vertical integration		Supply chain optimization	Carveout			 	
 <b>Industrial &amp; Consumer Goods</b>	Industrial footprint	Market analysis	Manufacturing operations	Supply chain optimization	Footprint optimization	Capacity increase	Technical due diligence		    	
 <b>Food &amp; Beverage</b>	M&A				Footprint optimization					
 <b>Comm. Vehicles &amp; Automotive</b>	Redesign of production layout	Procurement / make-buy	DtC, lean product development		Procurement integration & synergy creation	Post merger integration			 	
 <b>Battery Material</b>	Battery production ramp-up				Site performance management					
 <b>Construction Materials</b>	Procurement, supply chain and manufacturing optimization									
 <b>Medical Devices</b>	Manufacturing operations		Make vs buy analysis			Footprint optimization				
 <b>Packaging</b>	Footprint optimization									

# Technical due diligence for machining to evaluate machinery conditions and identify enhancement costs as well as product cost improvements on average minus 70%



## Initial situation

- **An investor** wants to acquire a machining company to produce parts for the semiconductor industry
  - **The target company** has no experience in the production of high-volume manufacturing
  - **The investor** needs in-depth expertise for the technical due diligence on-site as well as fundamental assessment of product cost potential pre-transaction to anticipate potential value creation
- **Target: Evaluate the condition** of the machining machines as well as the peripheral equipment and assess the necessary costs for investment and process development as well as identify product cost potentials

## Approach / method

### Technical due diligence – machining:

- Evaluation of technical requirements
- Evaluation of machining: e.g. machine condition, parameters, lubricant, filters, clamping systems, etc.

### Technical audit – processes

- Evaluation of the supporting processes for machining

### Product cost calculation

- Detailed calculation of product costs to identify fundamental cost potentials pre transaction

### Consolidation & cost estimations

- Consolidation evaluation of the costs for machine enhancement and process development with an implementation roadmap

## Customer value added



Evaluation of needed costs for enhancement, split into **investment** and **process development** ~ €2.9m



Identify fundamental **product cost potentials** for target machining products on average of **minus 70%**



A comprehensive and **detailed implementation roadmap** for machine enhancement and process development



**Post-merger integration** that supported a Tier-1 supplier in becoming the world's largest in the commercial vehicle and transport industry with > 26,000 employees



### Initial situation

- **Global Tier-1** acquired a strategic partner to transform its product portfolio and to become future-ready
  - **The two companies** will unite to forge the world's largest supplier in the commercial vehicle and transport industry
  - **Both companies** had strong workforces and distinct cultures, which posed a significant challenge in achieving seamless integration
- **Target: Post-merger integration** of the procurement and supply chain management departments of two large-scale companies, unifying their organizational structures to generate synergies for SG&A, SCM, and procurement.

### Approach / method

#### Overall program organization

- Set-up overall program organization by main functions & installation of Program Management Office & setting targets
- Clearly defined milestone plan

#### Synergies & integration

- Development of synergies potentials with workstreams
- Spend and saving potential analysis
- Drumbeat of workstreams to track and realize SG&A, SCM, and material savings
- Alignment and integration of all procurement & SCM departments

## Customer value added



Successful orchestration of **25 work streams** with over 1,000 employees



**>26,000 employees** integrated in one organization



**>4% material savings** on PM & NPM & **>€40m savings SG&A**



