Deloitte.

The Art of Striking a Good Deal

Your Advisor in Business Transactions

2019

Our transaction advisory team helps clients solve crucial business issues, such as strategic decision-making in acquisitions, sales or business re-organisations, including valuations, tax and legal structuring and due diligence. As part of transactions, we provide our clients with comprehensive financial, corporate, legal and tax advisory services. Our clients include multinational, local and family businesses as well as their owners, private investors, private equity funds, insolvency trustees, financial institutions and state administration.

Deloitte's office in Prague can offer an experienced team of more than 60 financial, tax, legal and commercial specialists in transaction advisory who boast ample know-how and knowledge of mergers, acquisitions and corporate finance in the Czech Republic and abroad. We closely cooperate with Deloitte offices in over 150 countries worldwide. Our individual services combined with a wide scope of activities on the market and the possibility of drawing from the know-how of Deloitte Touche Tohmatsu member firms allow us to respond to the challenging and diverse needs of our business partners.

Awards and recognitions

2019 recognitions

- Corporate Finance | Mergermarket: #1 Financial Advisor to Global M&A by deal volume, H1 2019

2018 recognitions

- Corporate Finance | Mergermarket: The most active investment bank M&A advisor in the world (2018)
- M&A Services | ALM Intelligence: Global Leader in Transactions - Acquisitions Consulting
- Forensic | IBM: Worldwide Watson Financial Services, Industry Platform Business Partner of the Year
- Analytics | Gartner: Worldwide leader in Data Analytics Services
- M&A Services | ALM Intelligence: Global leader in Divestitures Consulting

The Art of Striking a Good Deal | Your Advisor in Business Transactions

Managing Acquisition and Sale Processes

Are you going to enhance your business through an acquisition or sell your company as best possible?

Jan Brabec
Partner
+420 606 630 260
jbrabec@deloittece.com

Josef Kotrba
Partner
+420 603 177 388
jkotrba@deloittece.com

Deloitte has an expert team with extensive experience gained in numerous transactions all over the world. Our knowledge and experience will help you increase the chance of concluding a transaction at minimal risks and at the best price possible.

In acquisitions, we help our clients during the entire investment decision-making process – from the investment strategy development to searching for investment opportunities in a given sector and country, transaction structuring and negotiating with target owners all the way to the closing and settlement of the transaction. If there is a need for external funding, you can benefit from our wide network of established contacts with banks and various types of investors, ranging from wealthy individuals to private equity funds.

In the sale process, our services include the development of a sale strategy, identification of and addressing potential buyers using our global contacts, preparation of information memoranda on businesses, assessing individual offers made by potential buyers, the final negotiations and transaction settlement.

We also provide expert advisory to companies, creditors, insolvency trustees and investors in respect of businesses under financial distress.

Our services:

- Acquisition advisory;
- Assistance in fund raising;
- Sale-side advisory; and
- Company reorganisation advisory.

Selected references:

Financial Advisor to
ZDAS
In the sale of the company
2016 Czech Republic

Financial advisor to
Klima-Service
In the sale of the company
2019 Czech Republic

Financial Advisor to
Nej.cz
In the sale of the company
2016 Czech Republic

Financial Advisor to
SKUPINA ČEZ
In preparation the acquisition strategy for CEZ ESCO
2017 Czech Republic

Financial advisor to
CNGvitall
In the sale of the company
2018 Czech Republic

Financial Adviser to
PAPCEL CZECH REPUBLIC
In the sale of 50% stake in Papcel to Bohemia Industry
2017 Czech Republic

Financial Adviser to
GLOBDATA
In the sale of the company
2017 Czech Republic

Financial Adviser to
TŘINECKÉ ŽELEZÁRNY
In the acquisition of 100% share in Brück AM
2018 Czech Republic

Financial Adviser to
Veba
In the sale of the company
2018 Czech Republic

Restructuring Services Advisory

In a dynamic environment, companies and their management often go through the stages of overlooking and refusing the existence of issues.

Radim Baše
Director
+420 733 626 585
rbase@deloittece.com

Companies and stakeholders need to implement corrective measures in a timely manner regardless of the nature of the problem. If the company's performance is not sufficient, we may provide support to the client and make sure it implements the necessary measures before it is too late. In the event of an impending liquidity crisis, it is vital that a thorough situation and finance analysis be performed in order to achieve cost optimisation and arrive at a timely solution.

Deloitte's restructuring specialists cooperate with clients in helping their companies find a way out of financial and operating difficulties. We systemically address key strategies, transactions, infrastructure and financial difficulties. Comprising professionals with expertise across different sectors, our team promptly identifies problematic areas and activities leading to immediate stabilisation, provides specialist advisory to improve the company's operations and performance, and prepares debt-structuring and refinancing solutions. If needed, we also have extensive specialised knowledge and experience in insolvency proceedings advisory.

Restructuring services advisory includes:

- Independent assessment of the company;
- Stabilisation of cash flows and liquidity management;
- Funding or sale of the company in difficulties;
- Financial restructuring and refinancing of debt;
- Operational restructuring and improvement in performance;
- Crisis management and CRO services;
- Alternative scenarios planning;
- Bankruptcy/reorganisation services; and
- Discontinuation of activities and the company's liquidation.

The Art of Striking a Good Deal | Your Advisor in Business Transactions

Selected references:

Financial Adviser to

Deloitte assisted with stabilizing operations and realizing a sales process in a pre-insolvency moratorium

2017 Czech Republic

Financial Adviser to

Deloitte provided advisory services to bondholders related to the restructuring and insolvency of OKD

2016 Czech Republic

Financial Adviser to

European manufacturing group

Deloitte assisted with assessing contingency options for a Czech subsidiary of the group

2016 Czech Republic

Financial Adviser to

Deloitte assisted with assessing contingency options and securing financing from regional authorities

2016 Czech Republic

Financial Adviser to

Deloitte prepared an Independent Business Review of the textile producer VEBA, textilní závody a.s.

2017 Czech Republic

Financial Adviser to

Deloitte assisted the insolvency trustee with the distribution of sale proceeds to creditors

2017 Czech Republic

Financial Adviser to

Deloitte assisted with assessing contingency options and securing financing from regional authorities

2017 Czech Republic

Financial Adviser to

Deloitte advised the client on the financial strategy of the group

2017 Czech Republic

Financial Adviser to

Deloitte assisted the insolvency trustee with the financial assessment of select transactions

2017 Czech Republic

The Art of Striking a Good Deal | Your Advisor in Business Transactions

Due Diligence

Every strategic decision, such as the sale or purchase of a company, is typically preceded by an assessment of the related risks.

Dušan Ševc
Partner
+420 734 797 426
dusevc@deloittece.com

Pavel Piskáček
Assistant Director
+420 737 276 915
ppiskacek@deloittece.com

Peter Smataník
Assistant Director
+420 731 140 737
psmatanik@deloittece.com

To help with their decision making, most investors use due diligence, which precedes the transaction and has the principal aim of confirming the underlying investment assumptions and identifying and assessing the risks that the transaction might involve. Deloitte is one of the leading global providers of these services, benefiting from its wide network of specialists who deal exclusively with due diligence and follow-up transaction and post-transaction advisory.

The product of due diligence carried out by our specialists is typically a report addressed to the buyers or sellers, which briefly summarises, in a practical and user-friendly manner, the principal findings, implications and recommendations concerning the key aspects of the planned transaction, and which can also be presented to other entities that are to take part in the transaction funding.

We also support our clients during negotiations of the transaction documentation when we closely cooperate with our lawyers or the client's lawyers in order to ensure that all the agreed-upon financial aspects, including the purchase price mechanism, are duly reflected in the transaction documentation.

Our experience includes projects not only for local companies, but also for multinational companies and private equity funds.

Our services:

- Acquisition due diligence;
- Vendor due diligence;
- Financial, tax and legal due diligence;
- Commercial due diligence; and
- Sale and Purchase Agreement advisory.

Selected references:

M&A Transaction Services Provider to
WALMARK
in the acquisition of majority stake in Valosun a.s.
2015 Czech Republic

M&A Transaction Services Provider to
Orkla
in the acquisition of 100% in Hame Group (food manufacturer, famous for its pate „Majka")
2015 Czech Republic

M&A Transaction Services Provider to
NASPERS
in connection with the financial VDD and tax fact book on Netretail Group (CE online retailer mall.xx and mimovrste.si)
2015 Czech Republic

M&A Transaction Services Provider to
SOCIETE GENERALE
in the acquisition of PSA FINANCE CESKA REPUBLIKA, s.r.o. and PSA Finance SLOVAKIA, s.r.o.
2016 Czech Republic

M&A Transaction Services Provider to
Genesis Capital
in the acquisition of a 51% share in D2G by Genesis Private Equity Fund III
2017 Czech Republic

M&A Transaction Services Provider to
SLEVOMAT
in the sale of 100% share in Slevomat.cz, s.r.o. (Vendor DD)
2017 Czech Republic

M&A Transaction Services Provider to
Karlovarské minerální vody
in the acquisition of the PepsiCo operations in the Czech Republic, Slovakia and Hungary
2018 Czech Republic

M&A Transaction Services Provider to
elcom
in the disposal of 100% stake acquired by ELCOM INDUSTRY PARTNERS, a.s.
2018 Czech Republic

M&A Transaction Services Provider to
ARX DBG Eastern Europe II
in the sale of 100% share in VUES Brno s.r.o. (currently Moog Brno s.r.o.) – vendor due diligence
2018 Czech Republic

Commercial Due Diligence and Post-Acquisition Integration

Tereza Bůžková
Assistant Director
+420 731 635 036
tbuzkova@deloittece.com

Vilém Videnka
Manager
+420703468480
vvidenka@deloittece.com

The Deloitte CDD team assists Private Equity funds and corporate investors with creating and revising business plans for company acquisitions, but also for planning company strategy. Our analyses focus on revisions of the market environment, the competitive position of the company, and assessing the achievability of the business plan. Deloitte can offer a wide network of experts who have specific experience in a whole range of industries and whose knowledge is useful when working on projects outside the Czech Republic.

Our services

- **Commercial Due Diligence**
  Company acquisitions represent an opportunity for the growth of added value and profit, but they also involve a certain amount of risk. Our team can provide a comprehensive revision of the business plan, identify and quantify the risk areas and provide qualitative and quantitative information on the company that is being considered for acquisition. Part of our work is a detailed revision of the market development and the position of the company, as these may have a significant impact on the development of the future revenues and profit. We also provide added value through assessing the risks related to possible synergies.
- **Post-Acquisition Integration**
  According to available statistics, only about 40% of transactions are followed by successful integration in which the planned synergies are achieved in the area of cost reduction and increasing revenues. This is why we also provide assistance with the preparation of the takeover and integration plan for the target company; if necessary, we also assist with the integration itself. Our team has experience with the post-acquisition integration of companies of various sizes and from various industries. We are able to support companies not only with a detailed D1-D100 planning across all business units but if necessary also assist with the post-completion plan execution.

"Our team works with a number of companies of varying sizes, from start-ups all the way to well-established companies with an international scope of activity. We have experience in a wide range of industries and benefit from the expert knowledge of our international specialists."

The Art of Striking a Good Deal | Your Advisor in Business Transactions

Tax Advisory

As part of due diligence, tax advisory focuses on tax risks and their possible impacts on the value of businesses.

Miroslav Svoboda
Partner
+420 605 234 106
msvoboda@deloittece.com

Michal Trnka
Senior Manager
+420 606 553 320
mtrnka@deloittece.com

Our team specialised in mergers and acquisitions consisting of professionals with long-term experience in the area of mergers, sales and restructuring will guide you through the tax difficulties of the transaction. Our professionals have experience with working for significant Czech as well as international clients including private equity funds.

As part of each structuring process, we prepare reports for a wide range of users, primarily for investors, financing banks or legal advisors implementing the acquisition structure. Depending on the type and the nationality of the investor, we prepare the acquisition structure namely with regard to an effective debt service and provision of sufficient collateral to banks, tax aspects related to the interest on acquisition funding, and minimising the transaction costs. Structures that we design also take into account a potential tax effective sale of non-productive assets or affiliated parts of the enterprise, the use of sufficient funds and partially also the repatriation of profits to investors, with the realisation of the IPO or direct sale of the target company or the holding structure by shareholders, partners or investors. We also provide our clients advice and share with them experience in the area of creating joint ventures from the perspective of their functioning and the subsequent settlement among co-investors.

Our services:

- Tax review and assistance in the correction of identified deficiencies and risks;
- Tax structuring of the acquisition, sale, refinancing, creating a joint venture, IPO and various restructuring;
- Assistance in the implementation of the acquisition structure including coordination of the whole process;
- Tax efficiency analysis of and potential recommendations on how to achieve it;
- Tax advisory in the preparation of purchase agreements; and
- Tax modelling including the estimate of future tax obligations, the amount of related payments and an estimate of future effective tax rate for the period covering the business plan.

Selected references:

M&A transaction services provided to
Orkla
In the acquisition of the 100% share in the Hamé Group (food producer renown for Májka pâté)
2015 Czech Republic

M&A transaction services provided to
NASPERS
In relation to the financial VDD and the preparation tax fact book of the Netretail Group
2015 Czech Republic

M&A transaction services provided to
ARX
In the sale of a 90% share in SINGING ROCK s.r.o. to Rudolf Bochenek
2015 Czech Republic

M&A transaction services provided to
WALMARK®
In the acquisition of the majority share in Valosun a.s.
2016 Czech Republic

M&A transaction services provided to
CEFC
In the acquisition of a 39.92% share in Travel service a.s.
2016 Czech Republic

M&A transaction services provided to
ECO INVEST
In the acquisition of venture of Internet Pb s.r.o. (providing internet connection in Pribram region)
2016 Czech Republic

M&A transaction services provided to
GENESIS CAPITAL
In the acquisition of 47% share in the POS Media group to Genesis Private Equity Fund III
2017 Czech Republic

M&A transaction services provided to
ARX DBG Eastern Europe II
in the sale of 100% share in VUES Brno s.r.o. (currently Moog Brno s.r.o.) from Nolloth S.A.
2017 Czech Republic

M&A Transaction Services Provider to
elcom
in the disposal of 100% stake acquired by ELCOM INDUSTRY PARTNERS, a.s.
2018 Czech Republic

The Art of Striking a Good Deal | Your Advisor in Business Transactions

Business Valuation and Financial Modelling

Are you looking for a professional valuation and not just a maths exercise?

Roman Lu
Assistant Director

rlu deloittece com

Petr Čihák
Assistant Director
+420 246 042 635
pcihak@deloittece.com

We have extensive experience with valuing shares, enterprises and tangible and intangible assets in various commercial situations, even for the purposes of legal disputes and arbitrations. Valuation requires a thorough knowledge of economic and industrial trends, operations of the given company and its competitors. It is also necessary to take into account further financial and non-financial information, such as legal and regulatory environments. Quality valuation services are a combination of analysis, experience and expert judgement.

Our practice-oriented approach is based on the knowledge and experience gained every year in conducting significant projects in the Czech Republic and abroad and is distinguished by professional precision and thoroughness. In addition to providing pure valuation services, we cooperate closely with our professionals specialising in the individual industries or specific issues within the four basic areas of our services – audit, taxes, management consulting, and financial advisory. As a result, we provide integrated solutions tailored to the needs of our clients.

Our services:

- Investment analysis as part of mergers and acquisitions;
- Valuation of companies and their parts;
- Financial advisory;
- Purchase price allocation;
- Valuation of intangible assets, legal advisory in the area of intellectual property;
- Financial modelling; and
- Damage and lost profit assessment.

Selected references:

Valuation of a part of the business

O2 Czech Republic a.s. in relation to the spin-off of Česká komunikační infrastruktura a.s.

2015 Czech Republic

Confidential

Valuation for litigation related to squeezing out minority shareholders in the largest financial company in the given industry

2016 Czech Republic

EPH

Valuation analysis for EPH in relation to the allocation of the purchase price within an acquisition of Slovenské elektrárne

2017 Czech Republic

SKUPINA ČEZ

Financial model and valuation of a part of CEZ a.s., including complex implications on the whole group for the purpose of a contemplated sale

2017 Czech Republic

Latvian Ministry of Economics

Financial model for the Latvian Ministry of Economics in relation to a contemplated acquisition of a gas distribution company

2018 Czech Republic

Confidential

Expert in an international arbitration in the energy industry related to the key privatised assets

2018 Czech Republic

The Art of Striking a Good Deal | Your Advisor in Business Transactions

Legal Advisory

Jan Kotous
Partner
+420 739 525 850
jkotous@deloittece.com

Petr Suchý
Attorney-at-Law, Partner
+420 605 228 316
psuchy@deloittece.com

Our acquisition team includes legal experts with long-term experience in significant and complex acquisitions. Their experience goes beyond the legal framework as they have a good understanding of all other aspects of acquisitions, in particular the financial, tax and accounting aspects. Our office also regularly participates in a number of cross-border transactions, closely cooperating with Deloitte law firms from all over the EU and several other countries.

We support our clients and give them advice from the very outset of the transaction, ie from the design of the basic acquisition concept, the strategic planning, through legal audit, all the way to negotiations and drawing up the contract documentation, and post-acquisition steps.

Our services:

- Analysis of the legal aspects of the planned transaction, including a proposal of suitable solutions and delivery options, providing a description of the advantages and disadvantages of each solution.
- Preparing a detailed plan of the transaction and of all the legal steps of mergers, spin-offs, other company transformations, squeeze-outs of minority shareholders, or any other form of acquisition (selling the equity interest, an enterprise or its part, sales of assets, etc).
- Legal advisory concerning the transaction strategy, full project management.
- Planning and carrying out acquisition due diligence.
- Legal support in purchasing or selling equity interests or assets, including the preparation of all contracts and other legal documents, negotiations with the counterparty, the closing and settlement of the transaction and follow-up transactions.
- Legal advisory in registering equity securities for trading on the regulated market, IPO or removing securities from trading.
- Acquiring licences or permissions from the administration authorities necessary for acquisition or restructuring.

Selected references:

Legal advisor to

In legal due diligence, preparation of and negotiations on transaction documentation for an acquisition of a pharmaceutical company

2016–2017 Czech Republic

Legal advisor to

In the merger of insurance companies Kooperativa and Pojišťovna České spořitelny.

2018 Czech republic

Legal advisor to

In connection with reorganisation of MALL group, in particular drafting the terms of framework SPA.

2019 Czech republic

Legal advisor to

In legal due diligence, drafting and negotiating of transaction documents for acquisition of 100% share in REDA, a.s.

2018v Czech republic

Legal advisor to

In legal due diligence, drafting and negotiation terms of transactional documentation in connection with acquisition of a minority share in UNILES, a.s., subsidiary company of AGROFERT, a.s.

2018 Czech republic

Legal advisor to

Ongoing advisory for the Group companies in respect of M&A transactions

2012–2017 Czech Republic