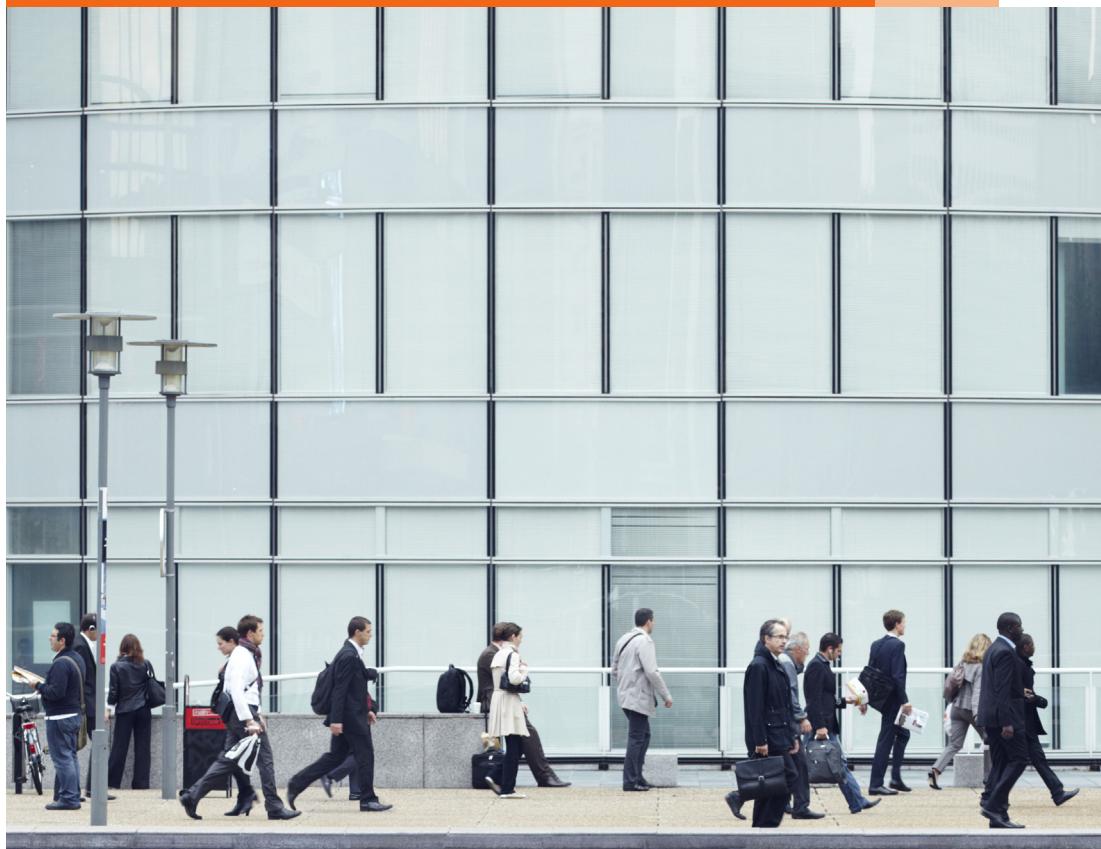


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Delivering Deal Value



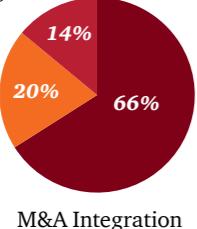
Importance of M&A integration

Considered as one of the most important aspects in an acquisition, M&A integration has increasingly drawn attention from enterprises.

What is the most important part in the M&A process?

M&A Due Diligence

M&A Strategy



Source : PwC Internal research report

Most investors focus on business stabilization and synergy realization when managing post-merger integration in the western world

1 Integration Management

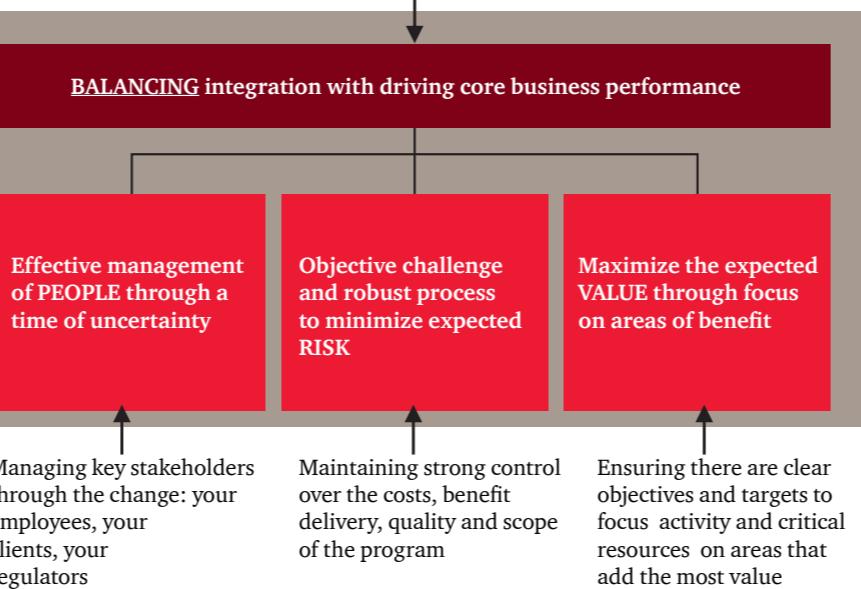
2 Day One Readiness

3 Synergy Analysis

4 Future State Development

Integration principles

Delivering the benefits whilst ensuring that focus is maintained on core business growth opportunities, business as usual activity and other change programs



Different M&A modes present different challenges

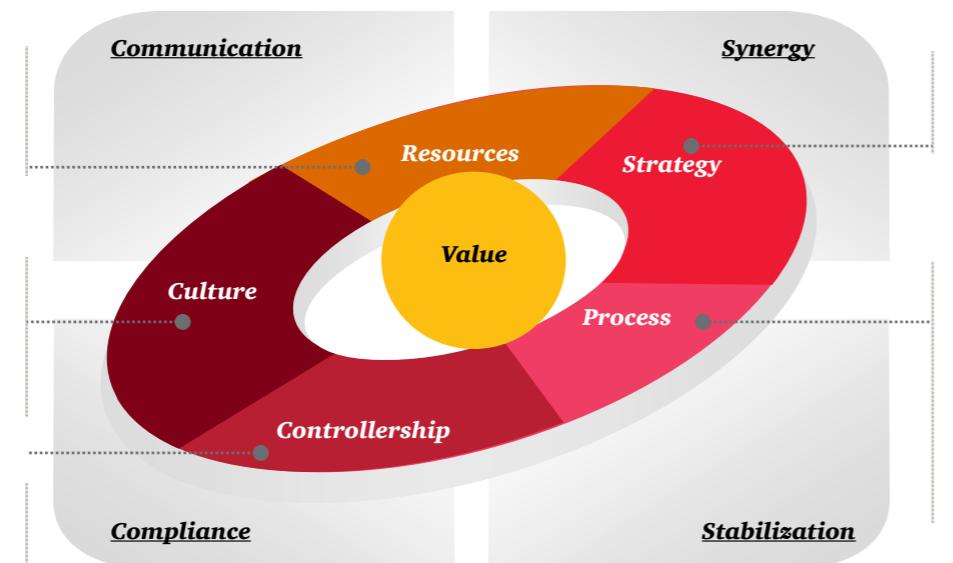
The majority of M&A challenges lie within the first two modes, where the third mode involves less integration complexity

M&A Mode	Different Integration Challenges
Merger of Equals (or JV)	<ul style="list-style-type: none"> Integrate best practices Culture synergy Balance pressure, define organizational structure, design key management positions and retention Regulatory requirements and process/policy realignment
Taking Control	<ul style="list-style-type: none"> Send management to the integrated company Manage employees at the acquired company Deal with conflicts
Keep as it	<ul style="list-style-type: none"> Share financial information through implementation Align reporting requirements

Specific challenges and issues need to be managed for post-deal integration in Indonesia

Frequently...

- No systematic compensation and performance system
- Lack of open communication
- Customary gift giving culture
- MNC vs. domestic company cultures and ways of working
- Sales FCPA compliance
- Cash based accounting
- Multiple sets of books



Frequently...

- Lack of systematic planning and forecasting mechanisms
- No standardized business processes (e.g. finance, distribution management, procurement, etc.) nor sufficient documentation
- Different manufacturing requirements
- Managed by "people" instead of "policies" and "processes"

Integration Success Factors

M&A integration plan

Early communication on integration strategies

Link company's future objectives with customers' benefits

Stabilize business organization

Proactive change management

Effective M&A integration management

Effective project management control

Identify and resolve culture differences

Integration Methodology

Pre Close

1 Set the course

- Articulate the strategy for the combined company
- Determine the degree of integration and non-negotiables
- Identify and protect core operations that are in or out of integration scope
- Customize integration structure and approach
- Designate integration leadership at all levels and establish the Integration Management Office
- Develop communication plan and execute early communications

1st 100 Days

2 Plan for Day One

- Identify and execute Day One requirements across all functions
- Identify and resolve Day One risks
- Develop 100 Day Plan including quick wins
- Secure resources and implement retention plan

Implementation

3 Execute 100 Day Plan

- Deliver tactical integration projects
- Deliver quick wins

4 Design the Future State

- Design functional and operational "to be" states
- Identify, value, and prioritize key integration initiatives and synergies
- Develop leadership and organization structure
- Assess cultural differences and develop people change program

5 Create Detailed Integration Plan 5

- Consolidate all integration initiatives into an executable plan
- Ensure plan fits with core business and prioritize with other initiatives
- Assess resource capacity and requirements
- Align incentive arrangements with integration objectives
- Monitor and address dependencies

6 Maximize Value Through Future State Implementation

- Implement, track and monitor integration execution to ensure deal value capture

Change Management and Communication

Integration Management Office (IMO)

Transition to business as usual

Manage integration to create value through four guiding principles and five key elements

We have strong capabilities in Indonesia

Market leader

The largest professional service firm, with more than 50 partners and 1,600 people in Indonesia.

Dedicated

A team dedicated to and familiar with pre-deal and post deal integration and carve-out issues and management.

Value proposition

We help organizations to work smarter and grow faster. We consult with our clients to build effective organizations, innovate & grow, reduce costs, manage risk & regulation and leverage talent. Our aim is to support our clients in designing, managing and executing lasting beneficial change.

Industry expertise

We have sector specialization in key sectors to eliminate up-to-speed time and add insightful value.

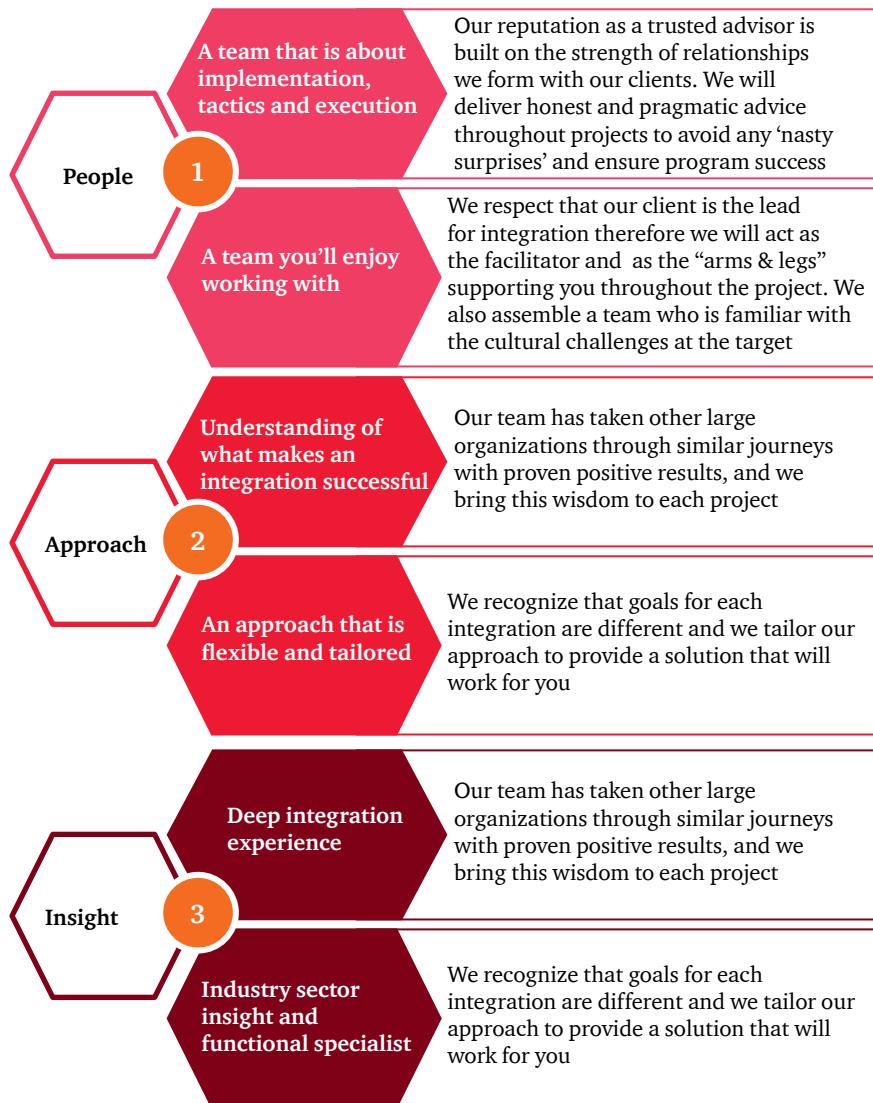
Indonesia knowledge & international experience

Our team consists of Indonesian nationals with overseas work or study experience, and a few expatriates who have been in Indonesia for at least 3 years, and with some more than 10 years. We are familiar with Indonesia business practices and experienced in dealing with local companies, their management, and employees.

Integrated service

Our teams work alongside Corporate Finance, Due Diligence, Valuations, Tax and structuring, and system integration colleagues to provide an integrated service.

Our values



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