

■ Success in mergers and acquisitions

For a business seeking rapid access to complementary technologies, new markets or geographies, enhanced products or services, an acquisition is a highly effective way to accelerate business and remove potential competitors. But the risks involved with acquisition, and the high levels of corporate commitment required to ensure success, often make the slow and steady progress of organic development look attractive.

Balancing the potential of accelerated growth against the cultural and financial risks is difficult, especially when viewed internally.

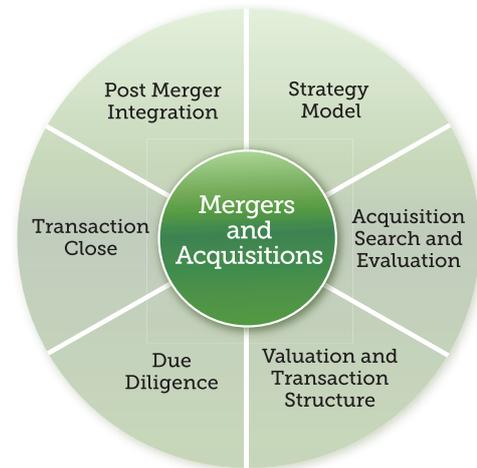
At FMG, our M&A experience comes from working with companies on both sides of the equation, to decide where and when to invest as well as divest. In either case, every successful deal features a strong investment rationale fully aligned to a validated strategy. This plan provides the decision support information showing how each investment or divestment is expected to create and deliver value to the business.

Effective strategies for M&A

A growth strategy sets the foundation and the context for growth opportunities, prioritises where attention and funds should be directed, and sets out the preferred methods for attaining strategic goals – such as organic growth, joint venture, or acquisition - as well as clarifying portfolio alignment opportunities (divestment). The FMG team ask the questions, analyse the opportunities, research the markets, and work with your senior management to create the strategy.

The direct M&A experience of your project team is a key influence on the size and complexity of

the deals. Staying close to the core business and expertise is recommended to reduce risk, particularly for teams with less M&A experience.



We provide strategies and analysis that reduce risk and increase learning, to improve the overall chance of success:

- a strong investment rationale aligned with your growth strategy
- the additional capacity to consider more acquisitions, more often
- the development of a simple integration plan focused on delivering the objectives.

Acquisition search and evaluation

Deep worldwide sector familiarity and experience brings an implicit understanding of the benefits that any acquisition target should deliver: a delivery that can be quantified in terms of speed, cost, market penetration, brand and profitability. FMG's knowledge and high level contacts enables a more thorough, creative sourcing of opportunities, and captures deal flow from previously 'hidden' sources.

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Due Diligence

Once there is a clearly defined and agreed investment rationale, the due diligence process focuses on the key risks and enablers, to engineer a sound deal, and, looking forward, form the foundation of the essential post-merger integration plan.

Post Merger Integration – Delivering the investment rationale

Integrating an acquisition is complex: a potentially significant drain on management time that often does not proceed as planned. Focusing the integration where it matters, based on the investment rationale and conclusions from due diligence, simplifies, accelerates and increases the probability of success.

Divestment

Divestment is a key element in any growth strategy, freeing up management time and financial resources to focus on the better opportunities. To maximize exit value, the benefits of the business to potential investors need to be clearly identified in preparing a business for sale. The emphasis is on leveraging and communicating these benefits, and making a market from a constituency of investors who fit the target profile.

Working with FMG

Future Materials Group works with businesses internationally in the Advanced Materials and High Value Manufacturing sectors at all stages of their development, from start-up to maturity. We are trusted internationally for robust, pragmatic CXO and board level support for business growth planning, growth finance, and mergers and acquisitions.

FMG can work with you to ensure you have a strong investment rationale clearly aligned with your strategy. We develop an M&A pipeline of deal size and frequency that fits your plans, resources and experience, plus a focused integration plan to increase your future M&A success.

Every project in which FMG engages receives the full commitment of our senior team, from start to completion. Our experience has shown us that strategies for growth are only fully and successfully implemented when they receive high level attention, both externally from FMG and internally from our clients' teams.

FMG brings clarity of purpose to our joint objectives: to maximise value at every stage of your company's development.

If you have business growth in mind, please contact us for a no obligation introduction to how we can help you achieve your business aims, by emailing info@futurematerialsgroup.com or by calling **+44 (0)1223 421025**.