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## Case Study: Mid Cap M&A Transactions

### State-of-the-art process in cooperation with Capital Concepts International

Mergers and acquisitions (M&A) are intensive and complex business processes, and a well-structured procedure is essential for the success of any transaction. With M&A transactions in particular, the experience of experts, transparent documentation, and a strictly controlled document review process are invaluable.

#### MID CAPS: ENGINES OF THE SWISS M&A MARKET

Mid caps are successful former small caps, which still grow strongly, but have more favorable refinancing options. They provide stable development values and are therefore extremely interesting for investors. According to a study by Deloitte in 2013 a total of 205 transactions were carried out with the participation by Swiss small and mid caps.<sup>1</sup> This number includes 96 domestic transactions (47 percent), 63 inbound transactions (31 percent) and 46 outbound transactions (22 percent). Therefore with an aggregated total of 159 inbound and domestic transactions (79 percent) the small and mid cap companies are attractive targets and solidify their role as a driving force in the economy.

**Capital Concepts International (CCI)** is an independent corporate finance advisory firm founded in 1999 and advises on medium-sized transactions with a focus on German-speaking regions in Europe. CCI has an established track record advising well-known, privately held and public companies, as well as entrepreneurs.

Together with Drooms, Capital Concepts International supports their customers in transaction processes to ensure efficient and safe procedures. The two companies have been working together closely since 2007.

<sup>1</sup> <http://www2.deloitte.com/content/dam/Deloitte/ch/Documents/mergers-acquisitions/ch-de-mid-cap-pme-2014.pdf>

## THE PROCESS: FROM PREPARATION TO CLOSING

### Organisation and Request for Documents

- Creation of the index (document selection)
- Identification of the document sources
- Team and schedule planning
- Confidentiality (e.g., signing NDAs)

### Data Collection

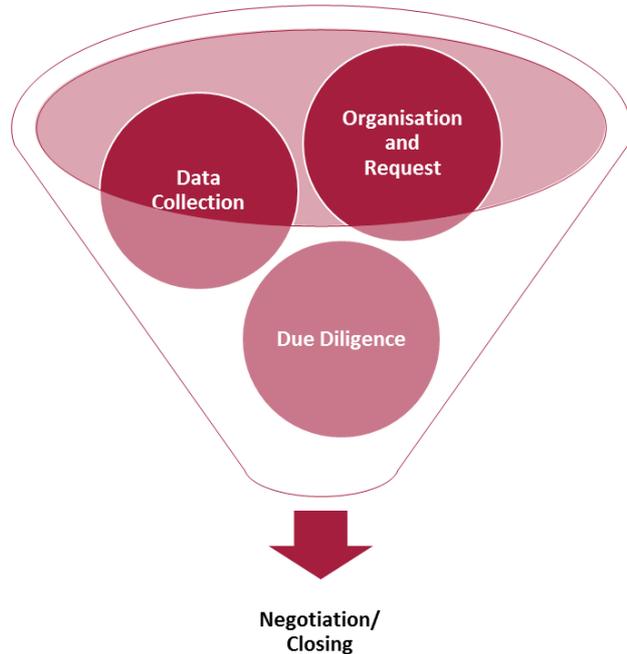
- Coordination of data collection
- Sourcing: review documents
- Progress monitoring
- Preparation of physical and digital documents
- Populating the data room

### Due Diligence

- Vendor due diligence
- Data room approval
- Online due diligence

### Completion

- Negotiation
- Closing



## ONLINE DUE DILIGENCE WITH DROOMS DATA ROOM

Conducting due diligence is at the very heart of many business transactions and is a tedious and time-consuming examination of numerous, highly confidential documents. In addition to the sell-side parties, parties on the buy side may include dozens of groups of consultants, as well as the potential bidders they are advising, and all involved parties must be given access to potentially sensitive documents in order to conduct their due diligence.

Therefore, the security requirements are high for online due diligence platforms. The Drooms virtual data room is focused on meeting and supporting the extensive demands for the secure handling of complex transactions.

As a European company, Drooms is subject to the stringent requirements of Germany and Switzerland with regards to data protection, particularly for confidential documents. Our certified data center locations and facilities (which are ISO 9001:2008 and ISO/IEC 27001:2005 certified), combined with multi-level authentication processes, are part of the comprehensive security standards of Drooms. Consequently, data related to M&A transactions is available only to authorised parties.

## IMPORTANT FEATURES FOR A VIRTUAL DATA ROOM



### Ability to quickly find what you are looking for

A clear and transparent index structure, as well as extensive search-and-filter functions are necessary to quickly locate relevant content.



### User access management

To guarantee security and confidentiality, it is important to define clear and approved permissions in order to control who can see what and when in the data room.



### Detailed reporting

Detailed reports that provide a complete overview of all data room activities are essential for a systematic preparation of negotiations.



### Q&A feature

With our integrated Q&A tool, questions can be posted and addressed immediately, enabling a lean, fast, and sustainable communications flow.

## TESTIMONIAL

"Particularly noteworthy is the high speed (view, up and down loading files) and intuitive handling of Drooms. A big advantage that saves us a lot of time! Drooms is a reliable partner to us, who we are happy to recommend". ***Capital Concepts International***

## CONTACT

If you have any questions about our software and services, please feel free to contact us or visit our website at: [www.drooms.com](http://www.drooms.com).