



# **Successful IPOs, Spin-Offs, and Dual Tracks**

How BCG Supports Effective Transactions

This brochure—one of a series of eight describing BCG’s capabilities in deal transaction and integration—underscores the importance of developing a deep understanding of the nuances, complexities, and challenges that accompany IPOs, spin-offs, and dual-track transactions.

Each type of transaction has unique characteristics on numerous dimensions. These range from overall design, prospective proceeds for the parent company, and the potential for capital increase to execution risk, taxation implications, and shareholder-vote requirements.

This brochure offers insights and advice vital to enhancing the odds that a transaction will deliver the intended value. It describes a three-phase approach to effectively managing an IPO, spin-off, or dual-track transaction—starting with conceptualizing the transaction, then moving to preparing for and finally executing the transaction. For each phase, we offer tips and tactics for success, and highlight how BCG helps clients through every step of the transaction.

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# BCG Has Supported Many IPO, Spin-Off, and Dual-Track Transactions.

## Imagine What We Could Do for You

### A PROVEN, TIME-TESTED APPROACH

As companies craft strategies for future growth, executives may consider embarking on transactions such as IPOs, spin-offs, and dual-track moves (preparing for an IPO while remaining open to selling part or all of the

company directly to a private equity investor or another company). Indeed, many IPOs progress as dual-track projects: They are initially planned as IPOs, but ultimately conclude as private-treaty bids.

### IPOs VS. SPIN-OFFS VS. DUAL TRACKS

Not all companies that decide to exit and float all or parts of their businesses through stock markets choose an IPO—some decide to do a spin-off or a dual track. These transactions differ on several dimensions, including how shares are handled, whether the parent company receives proceeds, and how much execution risk is involved.

BCG helps clients compare the pros and cons of each approach and arrive at the right decision for them. And, once they've chosen to go with an IPO, a spin-off, or a dualtrack, we work with them every step of the way—to help ensure that the transaction delivers the promised results.

| Dimension                          | IPO                                                                                      | Spin-Off                                                                       | Dual Track                                                                                                                                      |
|------------------------------------|------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Overall design</b>              | Existing or new shares of IPO-Co are sold to new investors                               | Shares of Spin-Co are distributed to existing shareholders                     | Pursuing IPO or private treaty sale directly to a strategic or financial bidder                                                                 |
| <b>Proceeds for parent company</b> | Value of existing shares are offered in the IPO                                          | None                                                                           | For trade sale: proceeds going directly to parent company                                                                                       |
| <b>Capital increase</b>            | Optional                                                                                 | None                                                                           | Only possible in IPO option                                                                                                                     |
| <b>Execution risk</b>              | Higher, since timing and valuation of the IPO depend heavily on equity market conditions | Lower, since the company doesn't initially have to attract new investors       | Lowest, since trade-sale route doesn't rely on public market sentiment and private route may allow deal execution even under adverse conditions |
| <b>Taxation</b>                    | Cash proceeds are taxable for the seller of the shares                                   | Tax-free to both the parent company and its stakeholders in most jurisdictions | For trade sale: could attract capital gains tax                                                                                                 |
| <b>Shareholder vote</b>            | Required                                                                                 | Not mandatory in most jurisdictions                                            | Required for IPO; only needed in trade sale if major asset divestment                                                                           |



No matter which path a company ends up taking, these transactions all call for effective collaboration among numerous players over long periods of time. Key participants may range from investment banks and law firms to accountants and multiple functions within the organization.

Confronted by such complexity, many organizations struggle with how best to conceptualize, prepare for, and execute the transaction. To ensure that the transaction delivers the intended results, BCG has developed a proven, three-phase approach for managing the challenges.



## Conceptualize

### ARE YOU READY?

Clearly, transactions such as IPOs, spin-offs, and dual tracks can deliver significant proceeds to the seller and provide the new company with access to capital markets in the future. But before executives can decide whether a transaction under consideration makes the most sense for their company, they should define a sound concept for the strategy.

There's much to consider here. For example, once a company goes public, it will have to not only continue competing for customers in its chosen markets but also start competing for investor funds. Management will need to answer to investors as well as to analysts, who will all keep an eagle eye on the company's financial performance and management practices.

So, the crucial question becomes: "How ready are we for this transaction?"

To help companies assess their readiness for the capital markets, BCG uses a comprehensive approach that zeroes in on three readiness dimensions: (1) strategic and financial, (2) reporting, and (3) corporate and governance. This approach helps illuminate any readiness shortfalls or gaps and can point executives' attention to areas that need addressing to improve the chances of a successful transaction.

### STRATEGIC AND FINANCIAL READINESS

With an IPO, once under the spotlight of capital markets, management needs to regularly review and, more importantly, deliver against the company's financial targets. A sound business plan at the time of the listing preparation is thus crucial for IPO success and future capital-market performance.

Even though the company can't disclose its plan to investors in detail, the plan constitutes a pivotal part of a successful IPO. Having a sound business plan in place early in the process helps the company understand how well positioned it is compared with its peers and what valuation levels it can expect. It also helps management make the right decisions regarding capital structure and dividend policy. After the IPO, the business plan helps management meet the company's financial targets and win the market's trust—and thus attract additional investors.

BCG works jointly with clients to make their business plan "investor proof." That is, we put ourselves in the shoes of different investor groups to challenge the plan's substance, its granularity, and its ambition level compared with those of its peers.

Together with our clients, we help define levers for improving a company's performance, and prepare rigorous implementation plans to ensure that the resulting effects are visible in time for investors to recognize them in the IPO.

Building on the business plan, we develop the cornerstones of the equity story, including an initial set of investment theses and a clear articulation of the IPO's strategic intent. We formulate initial storylines for all of a company's businesses—the pearls, certainly, but also businesses that may be more difficult to communicate to the market. Additionally, we closely analyze peers' equity stories, with an eye toward understanding how they present their overall business and their business segments to the market. The business plan and equity story are closely interlinked.

Their consistency is a key success factor in IPOs; therefore, development of both should go hand-in-hand.

## REPORTING READINESS

All companies seeking to go public face a major challenge: establishing processes and infrastructure for creating and publishing financial statements and data on key performance indicators (KPIs). Such reporting must meet the strict content and timing rules required by capital markets (e.g., quarterly financial statements). Companies must also compile a comprehensive set of historic financial and non-financial data to include in the IPO prospectus.

BCG helps companies understand these and other reporting requirements and assess their current setup, so that they can identify and address any gaps. We also ensure that the KPIs foreseen for future capital-market communications are reflected in the historic financials, so that analysts and investors have a consistent set of data on hand to inform their investment decisions.

## CORPORATE AND GOVERNANCE READINESS

In cases in which a company plans to set up an IPO for only parts of the business, a detailed carve-out concept is required to separate “IPO-Co” from “Old-Co”—legally, financially, and operationally. BCG helps clients plan and run the carve-out process to ensure that IPO-Co is sufficiently independent by the target IPO date.

Going public also requires a strong governance structure that complies with relevant regulatory mandates, such as an independent board and special committees. In addition, it calls for changes in a company’s existing corporate structure and the capabilities it will need to succeed. From strengthening the accounting department to assembling a powerful investor relations team, BCG helps organizations navigate these required changes and build the expertise necessary to go public.

Once executives feel confident about their organization’s IPO readiness (or about their ability to close any readiness gaps), they can turn toward the next phase in the IPO process: preparation of the listing.

## Creating an Investor-Proof Business Plan

| QUESTION                                         | FOCUS                                   | TIPS                                                                                                                                                                                                                                                                                            |
|--------------------------------------------------|-----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Are plan assumptions and outcomes substantiated? | Analyze the plan content and structure  | <ul style="list-style-type: none"><li>Review the completeness and overall buildup of the plan</li><li>Test for deviations from trends and from the prior management plan</li><li>Scrutinize all key assumptions</li><li>Check for consistency throughout the plan</li></ul>                     |
| Is the ambition level sufficient?                | Extensively test targeted growth levels | <ul style="list-style-type: none"><li>Use external market data and benchmarks</li><li>Challenge against BCG best practices and peers’ performance</li><li>Compare financials with analyst expectations</li><li>Assess the magnitude and criticality of deviations for the transaction</li></ul> |
| Can the plan be further improved?                | Activate levers for unlocking value     | <ul style="list-style-type: none"><li>Define improvement levers and quantify their potential impacts, including timing</li><li>Consider interdependencies</li><li>Prioritize levers with the highest impact</li><li>Craft plans for activating top-priority levers</li></ul>                    |

## BCG ADDS VALUE IN THESE WAYS:

- Helping companies understand what’s needed to successfully compete for investor funds in their industry
- Evaluating and improving companies’ strategic and financial readiness for an IPO by examining the investment proposition and the business plan from the capital market’s perspective and implementing improvement measures
- Supporting the company to plan and fulfill all other requirements ahead of an IPO decision, such as an operational carve-out

## Prepare

### HAVE YOU SET THE STAGE FOR A SUCCESSFUL LISTING AND MAXIMUM VALUATION?

During the IPO preparation phase, companies must ensure that all requirements of the IPO are met, present the asset in such a way that the maximum valuation and the targeted proceeds from the IPO can be reached, and continue running their day-to-day business effectively.

To meet these imperatives, companies need to identify and thoroughly understand their future investor universe. Leadership must develop a convincing equity story and prepare accurate and comprehensive filings for the regulator and the listing venue. They need to decide on a capital structure and dividend policy and make considered decisions regarding the offering's technical parameters.

BCG helps clients manage these responsibilities effectively and efficiently.

### UNDERSTANDING THE FUTURE INVESTOR UNIVERSE

To prepare their company for life in the public market, executives must understand who is going to invest at the IPO and afterward, and what these investors will expect.

A good starting point for building this understanding is to analyze peers' shareholder structures to identify prospective individual investors and investor groups, such as pension funds, asset managers, hedge funds, and retail investors. The next step is to understand these investors' expectations. For instance, are they anticipating a constant dividend yield, or are they looking for aggressive growth at the expense of lower payouts?

## Companies need to identify and thoroughly understand their future investor universe

Articulating these expectations helps a company frame its future investor base. This understanding should influence the strategic and financial plan that the company presents to the market.

For example, if the company decides to target yield-seeking investors, it should orient its dividend policy, capital structure, and business plan toward strong cash-flow generation. If the higher payout will limit the company's ability to invest in growth, that fact needs to be reflected in the equity story.

If all of this sounds complex, that's because it is. BCG helps by working with clients to navigate the investor universe. We apply proven tools to analyze peers' shareholder structures and to identify different investor groups' expectations. We conduct in-depth interviews with fund managers and analysts to understand their views on the industry or sector in question and their criteria for identifying the most attractive assets. We also bring our considerable expertise in an array of industries. We know what cycle each industry is in, where companies are in that cycle, and what implications these realities have for a company's IPO strategy and investors' expectations.

### DEVELOPING AN EQUITY STORY

To conduct a successful IPO, companies have to convince investors and analysts of the offering's value ahead of the listing—that's where a good equity story can make all the difference. It is the tool for differentiating a company from peers competing for the same pool of investor funds.

The equity story focuses on the information most important to investors. These include the key differentiators between the company on offer and its peers, a detailed discussion about and substantiation of the company's investment highlights and strategy, and an in-depth look at the business's financials. Making things even more challenging, the company needs to convince investors of its value under the capital market's tight disclosure rules. Unlike in a trade sale, the company cannot present the full business plan to investors and analysts. It can only provide guidance on a few KPIs.

Companies have to convince investors and analysts of the offering's value ahead of the IPO listing

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BCG helps clients formulate their key investment highlights and pressure-test them to see how well substantiated they are so that they can be refined as needed. We then work with clients to generate accurate and convincing details to craft the most compelling equity story possible.

We also know that an effective equity story must be more than just a story. To that end, we help clients thoroughly evaluate the data they must provide to meet investors' and analysts' expectations. We also help them identify the optimal way to report their business to the market, such as how to segment the business and which KPIs to use.

We then draft the equity story and build the financial and non-financial data repository. In addition, we work closely with the business's segments to distill the best possible proof points for substantiating the investment highlights and to differentiate the company from its peers. We

also join forces with the CFO to create a financial section in the equity story that sets the right aspiration level for investors and that proactively addresses their questions.

Most equity stories are also accompanied by an extensive appendix containing data on the company's operations, such as technical details about its manufacturing plants, products, and distribution channels. We help companies collect and review all such data to ensure consistency with data used in previous disclosures and other transaction documents.

To set the stage for successful execution, we help clients distill the content and data in the equity story into presentations customized for analyst and investor meetings; for example, early-look meetings, pilot fishing, and roadshows.

## THE SECRETS BEHIND SUCCESSFUL EQUITY STORIES

Building an effective equity story isn't as easy as many might think. And here's why: How companies think about themselves doesn't necessarily gel with what the capital market cares about most. The fact is, most investors and analysts don't get carried away by the usual language that companies use to describe themselves, such as "market leader," "innovation champion," "unique," "agile," "lean," and "global." If such language isn't backed up by substance, investors and analysts will dismiss it—and put a discount on the valuation. What's more, companies seeking to go public have to paint a picture of the future without being able to share a detailed outlook on their strategy and financials—a challenging task, indeed.

Drawing on our work with clients, we've developed a set of best practices for crafting a strong equity story.

- **Pick the right peers to compare your company against:** Select peers in your equity story that will guide investors and analysts to your targeted valuation levels. The right peers will also serve as a measuring stick for your preparation work, by setting the financial and non-financial bar your company must meet to convince investors of its value.
- **Challenge yourself:** Ensure that each claim in your equity story can be compared to your peers'

position. By doing so, you'll address all themes relevant to your potential investors and analysts. And, you'll validate whether your company truly has a unique position in its industry—or if it's merely a copycat. This exercise helps you see where you can look for a premium compared to your peers' valuations and where your story needs strong lines of defense.

- **Prove your points:** Thoroughly substantiate each claim in your equity story, ideally by explaining tangible initiatives that your company has implemented—such as recent M&A activity that strengthened your product offering, or improvement programs that addressed operational challenges. Make sure the initiatives behind your "proof points" are reflected in the financials at the time of the IPO, so that you get credit from the capital market.
- **Show your commitment to value creation:** In your equity story, explain how your company's strategic priorities, such as top-line growth, margin expansion, or cash generation, translate directly into shareholder value creation. Communicate clear ambition levels for all such drivers to demonstrate your commitment to the market.
- **Build a spot-on financial section:** Tailor your selection of KPIs and your presentation of financials to what investors and analysts care about most. Make sure the numbers are consistent with information provided in previous announcements.

## PREPARING REGULATORY FILINGS

To apply for an IPO, companies must compile a number of documents for filing with the local regulator and targeted listing venue. The most prominent among these documents is the IPO prospectus. Local legislation specifies the exact content required in the prospectus; in every case, the prospectus must provide investors with essential information, such as a detailed description of the business and its risk factors, the IPO's purpose (including planned utilization of the proceeds), listing details, shareholder structure and governance, and information on capital structure and taxation. The prospectus also includes historic and audited financial statements for (in most cases) the three years preceding the IPO. Generally, the prospectus does not include forward-looking financials, and its content must be closely tied to the information in the equity story.

In most jurisdictions, the prospectus is a liability document. That is, if information in the prospectus proves incomplete or incorrect, investors may claim damages. Therefore, the prospectus must be prepared with great

diligence, a process that often requires substantial time and close coordination among numerous parties.

Financial figures in the prospectus must reflect the company as if it had already existed three years ago. The document also tends to be extensive—often exceeding 400 pages—and requires input from many different parts of the company and external sources.

Companies should therefore start this process very early in the IPO preparation phase.

BCG helps companies manage the big challenges associated with developing the prospectus and other important IPO transaction documents to ensure consistency and accuracy throughout. We also apply a disciplined process for structuring the prospectus—including identifying the right people in the organization to provide the right information, and compiling a single repository for all data and information used in the prospectus and other documents.

## Successful transactions rest on three pillars



### Clarity on investor needs



**Which groups of investors can we attract?**

**What do investors care about (e.g., dividend vs. growth)?**



### Convincing equity story



**Why would an investor buy our share?**

**What is a compelling rationale for investing?**



### Sound business plan



**What does my business plan offer investors?**

**Is the business plan bullet-proof, from an investor's view?**

Source: BCG Analysis

## DECIDING ON CAPITAL STRUCTURE AND DIVIDEND POLICY

While preparing the equity story and the prospectus, companies also have to make decisions about IPO-Co's capital structure and dividend policy. This is especially important for companies initiating an IPO for a subsidiary. The originating company has to decide how much debt it wants to "push down" to IPO-Co. This decision needs to strike the proper balance among growth, dividend payouts, and a balance sheet/debt structure that matches the rating level targeted for IPO-Co. Insights from the investor peer analysis help companies determine investors' expectations regarding debt levels and payout ratios. A detailed peer analysis provides further guidance on which rating and payout levels will allow IPO-Co to successfully compete for investors' funds.

If the company plans to restructure the debt side with new instruments (such as a senior bond), it should reserve sufficient time in the IPO schedule to prepare and execute the debt strategy. Debt issuance can create a substantial additional workload (for instance, it requires a separate bond prospectus), which will have to be performed in parallel with the IPO preparation. The content of this extra work must be consistent with the statements and data subsequently presented in the equity story and IPO prospectus.

At this point, the company also needs to decide what portion of its equity to offer and determine whether to include new ("primary") shares in the IPO to collect fresh capital or to sell only existing ("secondary") shares.

BCG helps companies define the right dividend policy and capital structure. We build integrated financial models based on the company's business plan to simulate the effects of different payout and leverage levels on operating performance and financial stability. We also incorporate expectations from both debt and equity investors to identify which levels can lead to sustainable success in the market.

## DEFINING THE OFFERING'S TECHNICAL PARAMETERS

Before the IPO execution phase, the company also has to make a number of key technical decisions regarding the offering, including selecting global coordinators who will orchestrate the listing and deciding on the listing venue and market segment.

## BCG ADDS VALUE IN THESE WAYS:

- Helping companies compile comprehensive, clear, compelling, and accurate transaction documents
- Providing end-to-end support for the equity story by leveraging market insights and combining the story with the reworked business plan for a strong and convincing package
- Working with company leaders to help them make the right decisions about dividend policy, capital structure, and the offering's technical parameters



## Execute

### WILL YOU HIT THE TARGETED IPO WINDOW?

In the home stretch of any IPO transaction, all efforts are aimed at hitting the targeted IPO window. To reach that goal, companies have to go through the tightly regulated approval process for the prospectus with local authorities. They must prepare the analyst presentation and conduct investor education efforts. And before ringing the bell, management needs to hit the road to persuade investors and analysts to invest in IPO-Co.

### GAINING APPROVAL

Gaining approval for the prospectus from the authorities is a prerequisite for the IPO. Once the company obtains such approval, it can publish the IPO prospectus, an important source of information for investors. But companies should not publish too early—if they do, they may have to create a supplement to the prospectus if significant new information becomes available between the publication and the listing dates.

Also, financials in the prospectus can go stale. In a prospectus used in connection with a Rule 144A tranche, financial statements (including the company's balance sheet) must be as of a date that's within 135 days before closing of the final allotment of the offered shares.

To gain approval, companies often file drafts of the prospectus with the regulator before the final application. This enables them to collect and incorporate feedback from the regulator on the structure and content of the prospectus. But

to use this approach, companies must have the core elements of the prospectus ready about three months before the targeted approval date.

### ENGAGING WITH INVESTORS AND ANALYSTS

During the last months before the IPO, the company also needs to closely engage with investors and analysts, drawing on the equity story to prepare compelling materials to inform these constituents. Top management presents the equity story and financials for the first time to analysts during a "capital market day." Analysts prepare their reports and valuation of the company largely on the basis of this information. Once the first reports are published, management engages with potential anchor investors to whet their appetite for the IPO.

In the final week before pricing, top management conducts an extensive roadshow that includes stops in key financial centers to meet with broader groups of investors.

BCG helps companies through the entire execution phase, including compiling information for analyst and investor meetings and incorporating feedback from these meetings into the equity story. We also help management prepare for these meetings as well as for capital market day and the roadshow. If time gets tight before critical deadlines, we switch from orchestrating internal and external stakeholders to closely managing the action—hour-by-hour, if needed, to ensure that deadlines are met.

### BCG ADDS VALUE IN THESE WAYS:

- Coordinating all efforts required to gain the necessary approvals for the IPO prospectus
- Preparing convincing materials for analyst presentations and roadshows
- Coaching top management on how to conduct investor meetings and detailed Q&A sessions

# Why BCG?

Drawing on our collaborative, rigorous approach to IPOs, spin-offs, and dual-track transactions, BCG has facilitated many successful transactions in a diverse array of industries and countries. We support our clients by:

**Setting up a dedicated transaction team:**

Through the BCG Transaction Center, we bring a strong team armed with specific skills and experience to help clients manage the IPO, spin-off, or dual track.

**Bringing renowned industry expertise to the table:**

Regardless of the industry or market, we bring the full depth of BCG's expertise to the table to shape the transaction strategy, business plan, and equity story.

**Taking a collaborative approach:**

We work alongside clients every step of the way. We also help them coordinate all participants—including investment banks, accountants, and law firms—from a strong project management office.

**Focusing on value and detail discipline:** We concentrate on the aspects of transactions that have the most value at stake. We also deploy our analytical power to ensure that no detail or risk is ignored—so nothing can jeopardize successful execution of the transaction.

**Serving as a thought partner:** We serve as a sparring partner for addressing clients' most complex and daunting issues. No matter what the question is, we work closely with clients to find the right answers—and we aren't afraid to challenge them to get there.

We apply our support philosophy and our disciplined approach throughout every phase of the transaction process—from conceptualizing to preparing to executing.



# Real Deals, Real Results: BCG helps thyssenkrupp Manage a Successful Trade Sale of Its Elevator Division



thyssenkrupp AG (tk AG)—the German multinational conglomerate focusing on industrial engineering, automotive, material services, and steel production—had faced several challenges, including falling demand for European steel and an economic slowdown in Germany. As part of a broader transformation effort, the company considered divesting its elevator division, thyssenkrupp Elevator Technology (tk ET). The goal? To infuse cash into the company that could then be used to transform the remaining divisions.

tk AG prepared for an IPO while also remaining open to the possibility of a trade sale, which triggered the interest of multiple private equity firms and strategic bidders.

The company's advisory team included BCG in addition to Goldman Sachs, Deutsche Bank, J.P. Morgan, and Linklaters. BCG's role centered on supporting tk AG and tk ET along the dual-track IPO and M&A process and then the eventual carve-out and divestment execution.

Working jointly with investment banks, we supported the preparation of key selling documents, such as information memoranda, management presentation, and the equity story. As part of our vendor due diligence work, we

conducted a comprehensive assessment of tk ET's market and business plan. Additionally, we led sessions in which commercial experts and management answered questions from financial and strategic bidders about the potential for sustainable value generation from tk ET. We also supported the drafting of the IPO prospectus and reviewed it for submission to financial authorities.

After months of negotiations with prospective buyers, tk AG decided to sell tk ET to private equity firms Advent International and Cinven. The two firms are part of a consortium that includes the Abu Dhabi Investment Authority and Germany's RAG Foundation, the top shareholder of German chemicals group Evonik.

The comprehensive support that BCG provided contributed to the successful closing of the transaction in July 2020. Weighing in at a value of \$18.9 billion, the deal constituted the biggest private equity transaction in Europe since 2007.

# Five Tips for Effectively Managing an IPO

01

## **Prepare diligently:**

Successful IPO journeys take 12 to 18 months, sometimes even longer. By preparing every component carefully (including the business plan, equity story, and prospectus) and building a capital-market-ready team, companies can improve the odds that the stock market will apply a high valuation to the offering.

02

## **Have strong “proof points”:**

Most firms contemplating an IPO claim that their business is unique. But is it really? Investors and analysts will rigorously challenge your claims and translate them into financial projections. The better proof points a company has, the higher its valuation.

03

## **Have a “plan B” to manage execution risk:**

Capital markets are volatile, and windows of opportunity can close quickly. Many successful IPOs are designed with a range of alternative pathways—such as a trade sale (dual track) or a spin-off option (triple track)—to serve as a backup plan in case something goes wrong during execution of the IPO.

04

## **Prepare for life in the public space:**

After an IPO, life for a company’s CEO and CFO changes radically, as investors and analysts keep an eagle eye on the business’s financial performance and management practices. The best way to adapt to such public scrutiny is to design and execute a rigorous strategic and business plan and to establish a strong investor relations and communications team. That way, investors and analysts always know about the company’s successes.

05

## **Don’t overlook carve-out complexity:**

Orchestrating a carve-out is not the most glamorous part of the IPO process. It presents some complexities, and companies that underestimate these challenges may botch the process, putting the entire IPO timeline at risk.

# Deals That We've Helped Happen

## 2021

**2021**

**HITACHI**  
Selling their metal business to

**BainCapital**  
**JIP** **JAPAN INDUSTRIAL SOLUTIONS**

Strategic advisor to the seller

**\$3.5B**

**BCG** BOSTON CONSULTING GROUP

**2021**

**ZIM**

Strategic advisor on IPO

**\$250M**

**BCG** BOSTON CONSULTING GROUP

## 2020

**2020**

**Lufthansa**  
Selling their airline catering subsidiary to

**gategroup**

Strategic advisor to the seller

**Value not disclosed**

**BCG** BOSTON CONSULTING GROUP

**2020**

**thyssenkrupp**  
selling their elevator business to

**Advent International**  
**FAKSTIFTUNG**

**Cinven**

Strategic advisor to the seller

**€17.2B**

**BCG** BOSTON CONSULTING GROUP

## 2019

**2019**

**أرامكو السعودية**  
**Saudi Aramco**

Strategic advisor on IPO

**BCG** BOSTON CONSULTING GROUP

**2019**

**PRISMA**  
selling 51% of their business to

**Advent International**

Strategic advisor to the seller

**\$1.45B**

**BCG** BOSTON CONSULTING GROUP

**2019**

**SENVION**  
selling their European onshore service business to

**SIEMENS Gamesa**

Strategic advisor to the seller

**€200M**

**BCG** BOSTON CONSULTING GROUP

**2019**

**BAYER**  
selling their foot care brand to

**Yellow Wood** **Dr. Scholl's**

Strategic advisor to the seller

**\$585M**

**BCG** BOSTON CONSULTING GROUP

## 2019

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| <p><b>2019</b></p>  <p>selling their animal health business to</p>  <p>Strategic advisor to the seller</p> <p><b>\$7.6B</b></p>     | <p><b>2019</b></p>  <p>selling their sun screen brand to</p>  <p>Strategic advisor to the seller</p> <p><b>\$550M</b></p>                  | <p><b>2019</b></p>   <p>Strategic advisor to the seller</p> <p><b>Value not disclosed</b></p>                                                                    | <p><b>2019</b></p>  <p>Strategic advisor to the seller</p> <p><b>Value not disclosed</b></p>  |
| <p><b>2019</b></p>  <p>selling their 50% stake in DFE Pharma to</p>  <p>Strategic advisor to the seller</p> <p><b>NZ\$633M</b></p>  | <p><b>2019</b></p>  <p>divesting their drinks and hospitality business</p>  <p>Strategic advisor to the seller</p> <p><b>AUS\$10B</b></p>  | <p><b>2019</b></p>    <p>Support for capital increase</p> <p><b>€3.6B</b></p>  |                                                                                                                                                                                                                                                                     |

## 2018

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| <p><b>2018</b></p>  <p>Strategic advisor on IPO</p>                                                                                                                                                                            | <p><b>2018</b></p>  <p>sold a minority stake in its solar energy subsidiary</p>  <p>Strategic advisor to the seller</p> <p><b>\$174M</b></p>  | <p><b>2018</b></p>  <p>selling their Consumer Health (OTC) business to</p>  <p>Strategic advisor to the seller</p> <p><b>€3.4B</b></p>  | <p><b>2018</b></p>  <p>Comprehensive support for carve-out/carve-in of energy businesses</p> <p><b>Value not disclosed</b></p>                                                                                                             |
| <p><b>2018</b></p>  <p>selling their European generics business Zentiva to</p>  <p>Strategic advisor to the seller</p> <p><b>€1.9B</b></p>  | <p><b>2018</b></p>  <p>divesting their drinks business to</p>  <p>Strategic advisor to the seller</p> <p><b>€4.6B</b></p>                     | <p><b>2018</b></p>   <p>Strategic advisor to the seller</p> <p><b>Value not disclosed</b></p>                                           | <p><b>2018</b></p>  <p>divesting their heat pump business (Thermia) to</p>  <p>Strategic advisor to the seller</p> <p><b>Value not disclosed</b></p>  |
| <p><b>2018</b></p>   <p>Strategic advisor to the seller</p> <p><b>\$3.15B</b></p>                                                           | <p><b>2018</b></p>  <p>Provided support on asset identification and design of tender program for the state-owned railway business</p> <p><b>Value not disclosed</b></p>                                                          |                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                      |

## 2017

|                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>2017</b></p>  <p>Strategic advisor to the seller</p> <p><b>€8.0B</b></p> <p>BCG BOSTON CONSULTING GROUP</p>                                                         | <p><b>2017</b></p>  <p>Strategic advisor to the seller</p> <p><b>€21.8B</b></p> <p>BCG BOSTON CONSULTING GROUP</p>                                                            | <p><b>2017</b></p>  <p>selling its S&amp;IP business to</p> <p>Strategic advisor to the seller</p> <p><b>\$7.5B</b></p> <p>BCG BOSTON CONSULTING GROUP</p>                      | <p><b>2017</b></p>  <p>divesting their oil &amp; gas business</p> <p>Strategic advisor to the seller</p> <p><b>\$7.5B</b></p> <p>BCG BOSTON CONSULTING GROUP</p> |
| <p><b>2017</b></p>  <p>Sale of restaurants in the Nordics</p> <p>Strategic advisor to the seller</p> <p><b>Value not disclosed</b></p> <p>BCG BOSTON CONSULTING GROUP</p> | <p><b>2017</b></p>  <p>Provided support on privatization program as part of government 2030 strategy</p> <p><b>Value not disclosed</b></p> <p>BCG BOSTON CONSULTING GROUP</p> | <p><b>2017</b></p>  <p>Developed and implemented a privatization program for the sovereign wealth fund</p> <p><b>Value not disclosed</b></p> <p>BCG BOSTON CONSULTING GROUP</p> | <p><b>2017</b></p>  <p>Strategic advisor to the seller</p> <p><b>\$1.9B</b></p> <p>BCG BOSTON CONSULTING GROUP</p>                                               |

## 2016

|                                                                                                                                                                                                                   |                                                                                                                                                                                                                           |                                                                                                                                                                                                           |                                                                                                                                                                                                                             |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>2016</b></p>  <p>Operational carve-out of generics business</p> <p><b>\$38.7B</b></p> <p>BCG BOSTON CONSULTING GROUP</p> | <p><b>2016</b></p>  <p>Strategic advisor in spin-off of fossil fuel assets</p> <p><b>\$4.5B</b></p> <p>BCG BOSTON CONSULTING GROUP</p> | <p><b>2016</b></p>  <p>Strategic advisor to the seller</p> <p><b>\$3.0B</b></p> <p>BCG BOSTON CONSULTING GROUP</p>    | <p><b>2016</b></p>  <p>Strategic advisor in spin-off of cars.com from Tegna</p> <p><b>\$2B</b></p> <p>BCG BOSTON CONSULTING GROUP</p>  |
| <p><b>2016</b></p>  <p>Strategic advisor in IPO</p> <p>BCG BOSTON CONSULTING GROUP</p>                                         | <p><b>2016</b></p>  <p>Developed equity story and business plan for the IPO</p> <p>BCG BOSTON CONSULTING GROUP</p>                     | <p><b>2016</b></p>  <p>Prospectus preparation and analyst presentation for IPO</p> <p>BCG BOSTON CONSULTING GROUP</p> | <p><b>2016</b></p>  <p>Operational carve-out in preparation for divestment</p> <p><b>\$534M</b></p> <p>BCG BOSTON CONSULTING GROUP</p> |
| <p><b>2016</b></p>  <p>Strategic advisor to the seller</p> <p><b>\$310M</b></p> <p>BCG BOSTON CONSULTING GROUP</p>             | <p><b>2016</b></p>  <p>Strategic advisor to the seller</p> <p><b>Value not disclosed</b></p> <p>BCG BOSTON CONSULTING GROUP</p>        |                                                                                                                                                                                                           |                                                                                                                                                                                                                             |



# Meet Our Team

BCG's experts represent a rich and diverse group whose experience comes from solving the key issues faced by companies around the world. For every focus area, we also have local experts who provide pivotal insights into the dynamics of individual markets.

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**Jeff Gell**

Managing Director and Senior Partner

Jeff Gell is a Managing Director and Senior Partner based in BCG's Chicago office. He is a core member of BCG's Consumer, Operations, and Corporate Finance & Strategy practices and leads the Transaction and Integration Excellence business globally.



**Chris Barrett**

Managing Director and Partner

Chris Barrett is a Managing Director and Partner based in BCG's Dallas office. He joined BCG in 2001, and he has worked on Post-Merger Integrations across many industries, geographies, and topics. Chris has also worked in our Los Angeles and Amsterdam offices.



**Dr. Jens Kengelbach**

Managing Director and Senior Partner

Dr. Jens Kengelbach is a Managing Director and Senior Partner based in BCG's Munich office. He is the Global Head of M&A and the Leader of the BCG Transaction Center.

## BCG's Corporate Development Practice Encompasses:



More than 150 partners and 700 trained professionals across all seniorities, each with significant experience in corporate development and corporate finance.



A “solution first” mindset to help means we help to constructively manage the dealmaking process at the strategic “macro” level as well as at the levels of detail required.



Teams that always combine the specialist's expertise with our proven industry expertise, bringing strategic know-how to all industries and geographies.



A collaborative approach from beginning to end, continually working with the client's own experts and management teams and with key stakeholders such as i-banks and outside legal counsel.



### **Daniel Friedman**

Managing Director and Senior Partner

Daniel Friedman is a Managing Director and Senior Partner based in BCG's Los Angeles office. He is the Los Angeles Office Leader and the Leader of the Transaction and Integration Excellence Business in North America.



### **Jesper Nielsen**

Managing Director and Senior Partner

Jesper Nielsen is a Managing Director and Senior Partner based in BCG's London office. He is currently the Regional Leader of our Transaction and Integration Excellence business in Western Europe and South Africa.

**Teemu Ruska****Managing Director and Senior Partner**

Teemu Ruska is a Managing Director and Senior Partner based in BCG's Helsinki office. He is the Regional Leader of our Transaction and Integration Excellence business in Central and Northern Europe and Middle East.

**Timo Schmid****Managing Director and Partner**

Timo Schmid is Managing Director and Partner based in BCG's Melbourne office. He is a core member of the Corporate Development and Principal Investors and Private Equity practice areas and the BCG Transaction Center.

**André Kronimus****Managing Director and Senior Partner**

André Kronimus is a Managing Director and Senior Partner based in BCG's Frankfurt office. He is the global Topic Leader for Corporate Finance & Strategy and a core member of the BCG Transaction Center and the European Corporate Finance Task Force.

**Uwe Berberich****Managing Director and Partner**

Uwe Berberich is a Managing Director and Partner based in BCG's Düsseldorf office. He is a core member of the Corporate Development and Industrial Goods practice area as well as the Corporate Finance Task Force.

**Ketil Gjerstad****Managing Director and Senior Partner**

Ketil Gjerstad is a Managing Director and Senior Partner based in BCG's Oslo office. He is the Regional Leader of BCG's Corporate Finance & Strategy practice in Central and Eastern Europe and Middle East. Ketil is also a core group member of the BCG Transaction Center.

**Philipp Jostarndt**

Managing Director and Partner

Philipp Jostarndt is a Managing Director and Partner in BCG's Munich office, which he joined in 2007. He is a core member of the worldwide Industrial Goods and Corporate Development practices and a core member of the Metals and Mining sector.

**Andreas Kyrilis**

Managing Director and Partner

Andreas Kyrilis is Managing Director and Partner based in BCG's Dubai office. He is the global IPO and Spin-off Topic Leader.

**Decker Walker**

Managing Director and Partner

Decker Walker is a Managing Director and Partner based in BCG's Chicago office. He is a core member of the Industrial Goods and Corporate Finance & Strategy practices with particular focus on Agribusiness and M&A topics. He is also a core group member of the BCG Transaction Center.



# Read All About It

Our clients operate in nearly every industry and region around the world, and they come to us for fresh approaches to the issues that matter most to them. Through a rigorous analysis of each client's individual situation, we develop customized solutions that meet the organization's specific needs. The case examples here illustrate how we help clients sharpen their capabilities, create value, and deliver sustainable advantage.

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**Successful Due Diligence**  
How BCG Supports Strategic  
Due Diligence



**Successful Business  
Separations**  
How BCG Supports  
Carve-Outs



**Successful Target Search**  
How BCG Helps Find Strong  
M&A Candidates



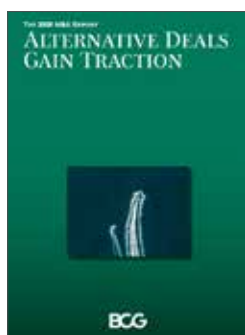
**Successful Merger Integration**  
How BCG Helps Maximize the Value from a Deal



**The Clean Team Advantage**  
How BCG Enhances M&A Success



**Successful Merger Clearance**  
How BCG Helps Clear the Path for Acquisitions



**The 2020 M&A Report**  
Alternative Deals Gain Traction



BCG's Transaction Center is the hub of the firm's global M&A expertise and provides businesses with end-to-end transaction support, including strategic decision-making in mergers and acquisitions, preparing and executing divestitures, and supporting IPOs and spin-offs. The Transaction Center combines BCG's deep sector expertise with our comprehensive knowledge of, and experience in, all aspects of M&A across all sectors and industries. These services complement the process-focused offerings of investment banks. With more than 300 professionals worldwide, we concentrate on the commercial drivers of the business plan and equity story. We help both corporate and private equity clients execute deals efficiently and, more importantly, maximize value.

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