

M&A INTEGRATION SERVICES

Operationalizing your strategic results

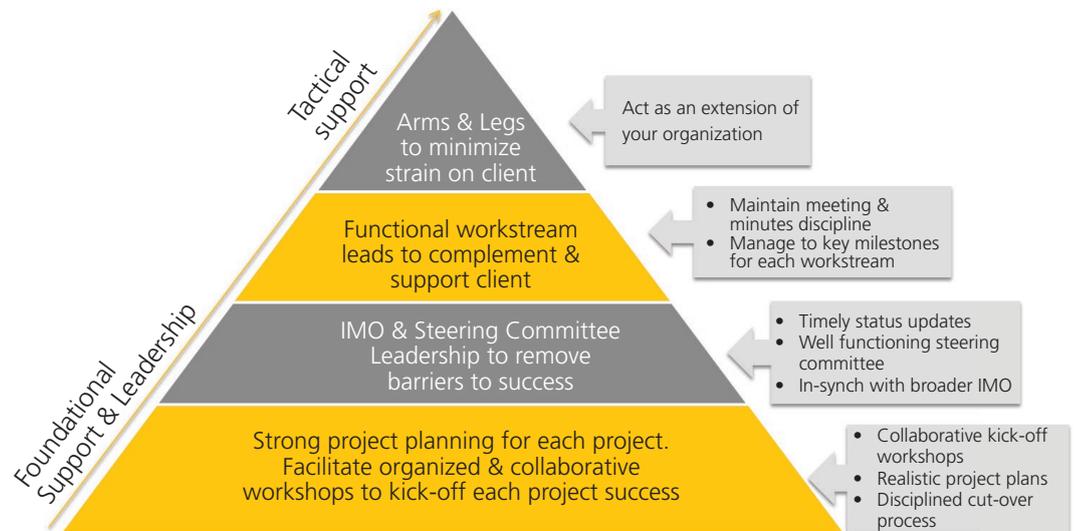
Auxis' Integration Principles

- ✓ **Establish a high performance, dedicated team**
- ✓ **Move fast**
 - Rapid Decision Making – “80/20 Rule”
 - Focus on integration, not optimization
- ✓ **Implement a disciplined approach with strong project management**
 - Task prioritization, resource management, effective decision making, etc.
- ✓ **Simplify & streamline operations**
 - Ask why – understand the drivers for integration
- ✓ **Focus on key risks & develop mitigation plans**
- ✓ **Perform timely, comprehensive change management**
 - Communicate early and often to stabilize all stakeholders (employees, suppliers, investors)
- ✓ **Identify and leverage Best Practices for both organizations**

Once an acquisition closes, the day-to-day integration work begins. At this stage, strong project management is an absolute requirement to ensure that the strategic plans developed are being implemented. But project management is not all that is required. Often, there needs to be “boots on the ground” at the organization actually performing many of the integration-related tasks – rather than just managing and reporting on them to management.

At the core, Auxis consultants know how to not only manage (PMO), but also provide “arms and legs” as needed while our clients continue running their business. Often, Auxis will act as an extension of our client’s organization, doing what is required to ensure that the integration is running on schedule, and challenges, as they arise, are dealt with effectively.

From project leadership to tactical support, the following chart details the various levels of our involvement during an integration:



WHY AUXIS?

20-year proven track record successfully delivering large transformational initiatives including M&A, Shared Services and System Implementations

- ✓ Extensive Latin America experience in multiple industries and across all countries
- ✓ Deep multi-functional expertise, including F&A, HR, IT and Supply Chain
- ✓ Structured to bridge from Strategy to Operational Execution
- ✓ Operational experts, not career consultants - ideal blend of industry and consulting experience
- ✓ Customized, flexible and “hands-on” approach
- ✓ Robust PMO capabilities that are grounded by a “results driven” mindset
- ✓ 90% of our team is multi-lingual and multi-cultural

What Our Clients Say...

"This was the largest project Applica had ever tackled and failure was not an option. We were replacing 15 years of processes, legacy system development and integration in a span of two years. Auxis' project leadership, structured approach, partner mentality, and advocacy on behalf of Applica during this entire process were extremely valuable to us."

— Terry Polistina
CEO, Applica Consumer Products

"Auxis is more constructive, proactive, and flexible than other firms I've worked with. Hats off to the Auxis team for your excellent support of Spectrum Brands HHI Latin America integration. 6 concurrent SAP implementations, 3 distribution center moves, workforce transitions in 10 months....Wow! We couldn't have done it without you. Nice Work."

— Dave Albert
VP International, HHI Division -
Spectrum Brands

"When we look at Latin America... it's a conglomerate of different cultures and languages. Auxis really understood that and was a great partner, helping us bring the two companies together... They did not feel like they were outside consultants but that they were really part of our company."

— Eduard Roosli
President, Latin America/Australia
New Zealand Spectrum Brands

Relevant Experience



- Client: \$5B global manufacturer and distributor of leading brands (appliances, batteries, home improvement, pet supplies and auto care)
- Successfully managed the overall detachment and integration of the Stanley Black & Decker Hardware and Home Improvement Group (HHI) in **Latin America**.
- Served as a strategic partner and link between Spectrum's leaders and HHI leaders
- Completed the separation and integration of **14 LatAm countries in 11 months**
- **Avoided \$2M** of Temporary Services Agreement (**TSA**) fees as a result of early exits, representing 45% of the original TSA estimate
- Identified and quantified **annual revenue synergies of \$4.5M**
- Reduced headcount by over **35%**



- Client: \$63B global food, snack and beverage manufacturer and distributor
- Led the business formation of the largest unified bottling entity (+\$2B) in Mexico by merging and forming a three-way **Joint Venture** between **PepsiCo Beverages Company Mexico**, GEUSA (bottler in the western and southern territories) and the **Gatorade** manufacturing infrastructure
- **Strengthened overall competitive position** and drove growth by creating a well-rounded product portfolio, revamping Go-to-Market capabilities and leveraging the power of a unified beverage organization
- Identified approx. **\$100M in operating profit synergies** in a three-year period and +500 basis points improvement in overall EBITDA margins



- Client: \$3B global cosmetic leader
- Conducted a baseline assessment of **Revlon** and **Arden North America Shared Services Operations**
- Developed a future SSC Operating Vision to integrate 3 business units (Elizabeth Arden and two Revlon business units that were operating independently) and both companies' Canadian operations
- Recommended a **hybrid operating model**, including a US-Based Center of Excellence with a Nearshore BPO transaction processing center in Costa Rica
- Identified projected **cost savings of \$4.4M** (33%) and a headcount reduction greater than 50%
- Strong business case that included an **IRR of 90%** and a payback period of less than 1.5 years



- Client: \$600M restaurant operator in Latin America and US, focused on the airport, highway and shopping mall segments.
- Performed Operational Due Diligence, Pre-Acquisition Planning, and Post Merger Integrations for the acquisition of **Margaritaville Restaurants across the United States**
- Successfully integrated and stabilized the back-office functions including F&A, Operations, IT and HR.
- Identified **>\$4M in synergies** and approx. \$400K in expired and obsolete inventory, which resulted in a reduction of the acquisition purchase price
- **16% reduction in overhead** — plus enhanced process efficiencies and internal controls
- Performed Location Selection and Business Case for the Shared Services Back Office for US and Puerto Rico.



- Client: US largest foodservice distributor
- **Assumed interim management** and **led successful turnaround of \$4B replenishment function**.
- Service levels were increased to 99.98% within 60 days of assuming operational control.
- Worked with Senior Executive team to develop strategy to spin off \$2B unit as a stand-alone business. Strategic spin off plan was approved by Board of Directors.



- Client: \$3B leader in kitchen and home appliances
- Led **post-merger integration** for \$6B equity fund developing a worldwide international platform by merging two underperforming global small appliance companies.
- Led pre-merger deal analysis and operational due diligence
- Developed post merger integration strategy, operational plan, organizational structure and financial projections for entire NEWCO organization.
- Identified and delivered over **\$50M in annualized EBITDA synergies**. **\$35M EBITDA** improvement delivered in year 1