



Joint Ventures (JV) & Alliances

We support our clients throughout the entire life cycle of their partnerships. Our mission is to help create sustainable, fair and profitable business combinations.

June 2021



Do any of the below 5 scenarios sound like you?

1. You're evaluating whether to buy or partner
2. You want to create a partnership and need help with finding the right partner
3. You're looking to set-up a JV or alliance and need help with design and structuring
4. You're looking to reinvigorate/improve the performance of an existing joint venture
5. You're seeking an exit from a joint venture

Why JVs & Alliances?

- | | | | |
|----|---|----|---|
| 01 | Lower risk option to achieve scale or access complementary capabilities | 02 | Investment can be tested and phased requiring less upfront capital |
| 03 | A faster route to respond to disruption | 04 | Access to strategically important partners which cannot be acquired |

How we can help:

Assess partnership scenarios and perform target scan:

- Assess different partnerships scenarios and help you choose the most optimal one
- Perform a Strategic and Commercial Due Diligence on the prospective partner

Develop JV Design Blueprint and support JV set-up:

- Design your future JV including strategy, commercial model, operating model, valuation and the most optimal deal structure
- Translate JV Blueprint into appropriate Legal agreements and help to operationalise them

Perform a Healthcheck on your JV:

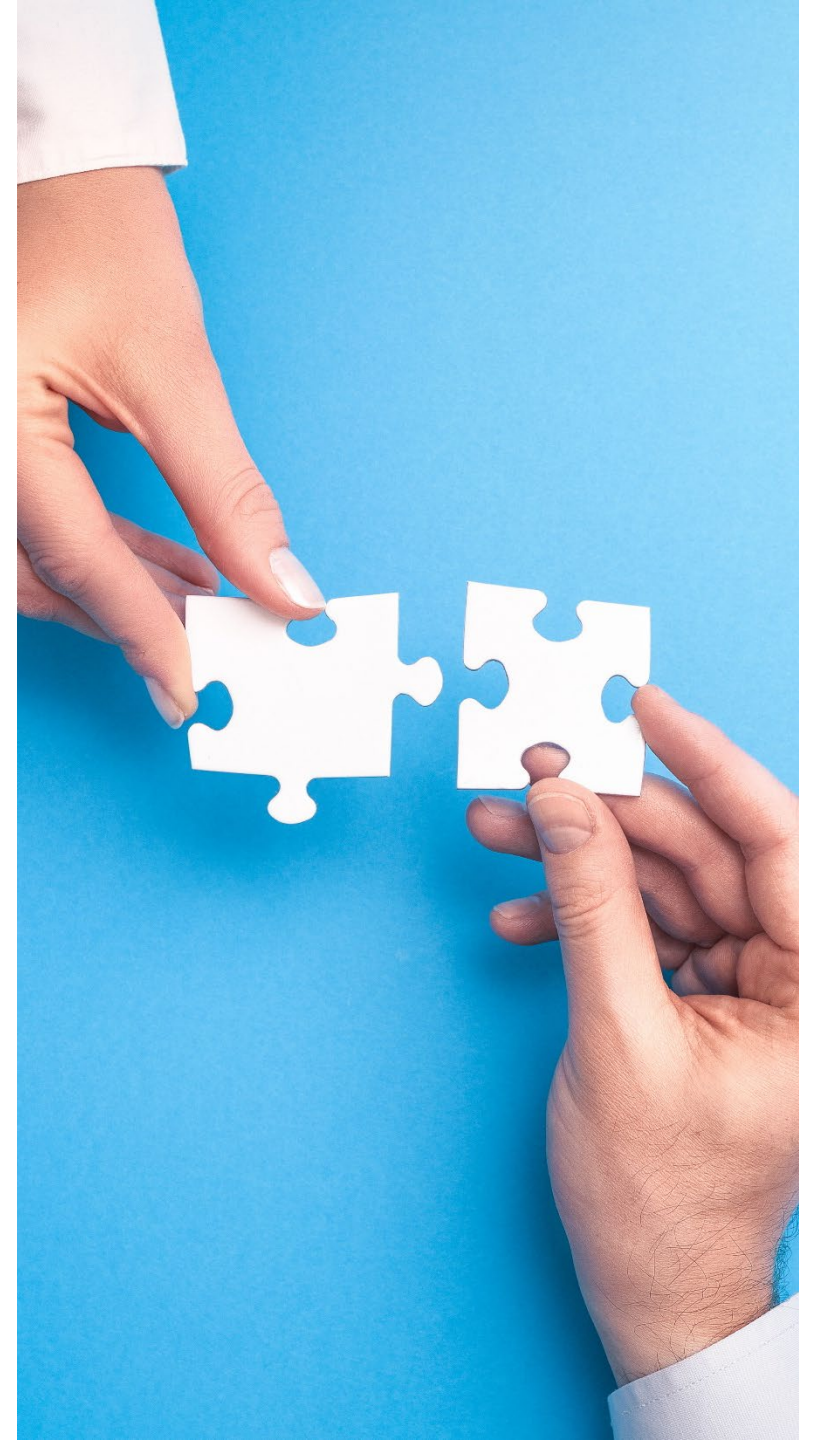
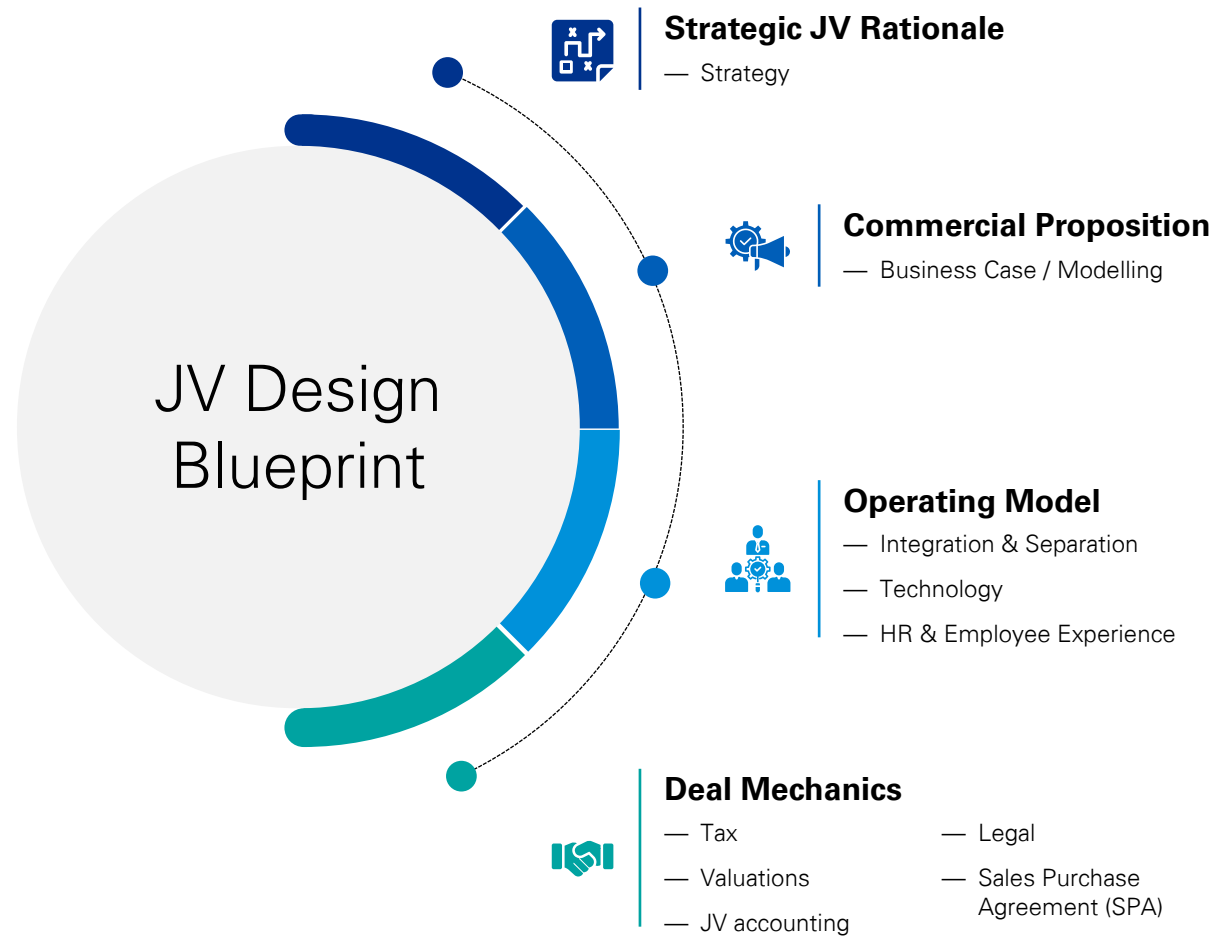
- Assist with quick scan of your JV performance versus your initial ambition and develop a "turnaround" plan for areas of concern

Assist with safe and timely exit:

- Help you to negotiate and execute the most optimal exit scenario maximizing value

Aligned multidisciplinary view is key for a successful partnership set-up

Our blueprint covers 4 key areas each JV or Alliance needs to think through



Aligned multidisciplinary view is key for a successful partnership set-up (cont.)

Strategy

- How does the alliance/JV serve your corporate strategy? How does it serve the partner?
- How do your strengths combine to create a winning strategy for the alliance/JV?
- Who is the optimal partner to achieve your ambition?

Business Case / Modelling

- Do partners use the same assumptions to build the case?
- Is the business case commercially viable?
- May the deal be challenged by the Board / majority shareholders / shareholder activists?

Integration & Separation

- Do assets need to be carved out prior to contribution into a JV?
- What is the required degree of integration at Day-1/final model?
- What is the overall implementation plan to get to successful Day-1 of JV operation?

Technology

- What is the optimal technology set-up to support the chosen JV model?
- What is the required technology investment to start and ramp-up the JV operation?

HR & Employee Experience

- Do we have the right Management team and key people in place to make it a success?
- What is the right JV culture to support the business ambition?

Tax

- How and what assets will be transferred to the JV?
- What is the optimal JV structure to achieve the post deal operating model (e.g., transaction flows, management and financing)?
- What are the tax principles which need to be reflected in the legal agreements?

Sales Purchase Agreement (SPA)

- Which completion mechanism is the most appropriate: completion accounts, locked box or a hybrid
- Are all relevant contractual obligations of the JV partners reflected in the SPA and completion mechanism?

JV accounting

- What is the target accounting structure?
- Is off balance sheet treatment critical?
- What are the accounting implications of the transaction steps, and do they have tax consequences?





Legal

- What legal structure works best for the JV?
- What key risks and governance principles need to be reflected in the JV agreement?
- What exit and dispute resolution mechanisms need to be put in place?

Valuations

- Is the initial JV feasibility supported by financial modelling and valuation for the deal?
- What is the total venture economics, are they properly reflected in the envisaged equity split?
- What are your negotiation tactics in light of preservation of value and building a strong relationship with your JV partner?

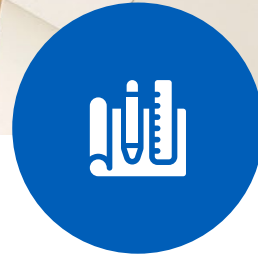
Legend: _____ ●

	Strategic JV Rationale		Operating Model
	Commercial Proposition		Deal Mechanics



Assess partnership scenarios and perform target scan

- We supported an American Defence company in setting up its first JV in the Middle East.
- This JV was critical for the company in order to effectively participate in key Middle East markets.
- We helped the client make a strategic assessment of the market and select a suitable partner.
- We then supported the client to develop a detailed JV blueprint and implementation plan.
- Our client was able to establish an operating manufacturing JV within 12 months.



Develop JV design blueprint and support JV set-up

- We supported the set-up of a JV between a major SOE and an emerging data transformation company, and concurrently helped the JV to establish an exclusive alliance with a global cloud services provider.
- We helped to develop the JV blueprint and business plan, while simultaneously assisting with structuring and negotiating the cloud services alliance.
- Our client was able to successfully diversify into the data transformation and cloud services sector to establish the first business such business in its country.



Perform a healthcheck on your JV

- We supported a major National Oil Company (NOC) in turning around a failing partnership with an international oil services provider.
- Our healthcheck identified significant weaknesses in the tendering and internal approval structure of the JV.
- We proposed a new governance structure and tendering process that were both implemented.
- This resulted in the company becoming profitable after 5 years of loss making.



Assist with safe and timely exit

- We helped a major OEM to dissolve a long standing JV with its partner.
- The assets of the JV were located across several geographies and needed to be either dissolved or reintegrated into the partner's businesses.
- The exit was complex with challenges in accounting, union engagement and structuring, which also included the creation of a new JV.
- We helped the client to work through these challenges within 12 months.

Our multidisciplinary partnerships team

We have all required specialists led by a small team of JV deal architects who will work alongside your team



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