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**[MODEL ANSWER] Model Summary Email**

<b>To</b>	Your supervisor
<b>From</b>	You
<b>Subject</b>	Synergy model summary

Hello,

Based on Joe's assumptions and client-provided data, **we expect the synergy potential of the acquisition to be \$10-18 million.**

I've attached a basic model. Feel free to review. I know Joe likes to play with the assumptions, so I've clarified where to input those. There is a column for base-case, midpoint, and aggressive scenarios. A couple of considerations to note:

- Value above is **exclusive to the target airline**, does not include synergy value for parent (e.g., lowering parent costs or increasing parent revenue); directional figure therefore likely conservative.
- **Largest synergy found in Revenue** bucket (approx. half of total synergy value), but **least detail** available
- No cost synergy assumption provided by Joe for **"Other" costs** despite it being the joint-largest bucket; another example of directional figure likely being conservative.

**Next steps:** I'm assuming this is an attractive proposition for the client, so I will look for previous M&A engagements in the airline industry. Unless I hear otherwise, I'll look for a more detailed breakdown of cost buckets and see if I can find previous work to better understand revenue synergies. **Let me know if there is something else you'd rather I address.**

Best,  
M

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Hello,

Based on Joe's assumptions and client-provided data, **we expect the synergy potential of the acquisition to be \$10-18 million. *Start with the answer. Use strategic bolding to make it easier to pull out the key insights.***

I've attached a basic model. Feel free to review. I know Joe likes to play with the assumptions, so I've clarified where to input those. ***Brief introduction to the attachment.*** There is a column for base-case, midpoint, and aggressive scenarios. A couple of considerations to note:

- ***Key considerations/limitations to the model:*** Value above is **exclusive to the target airline**, and does not include synergy value for parent (e.g., lowering parent costs and/or increasing parent revenue); directional figure therefore likely conservative.
- ***Further insight to the answer:*** **Largest synergy found in Revenue** bucket (approx. half of total synergy value), but **least detail** available.
- No cost synergy assumption provided by Joe for **"Other" costs** despite it being the joint-largest bucket; another example of directional figure likely being conservative. ***Calling out limitations again, which in this case understate the value.***

***Let your supervisor know where you are planning to go next. Next steps:*** I'm assuming this is an attractive proposition for the client, so I will look for previous M&A engagements in the airline industry. Unless I hear otherwise, I'll look for a more detailed breakdown of cost buckets and see if I can find previous work to better understand revenue synergies. **Let me know if there is something else you'd rather I focus address. *After sharing your hypothesis of the next steps, invite edits to those next steps.***

Best,  
M