Part 1 - Synergy Model (Assumptions and Calculations):

Inputs:

1. Target Company Revenue: [Insert Target Company Revenue]
2. Target Company EBITDA Margin: [Insert Target Company EBITDA Margin]
3. Acquiring Company Revenue: [Insert Acquiring Company Revenue]
4. Acquiring Company EBITDA Margin: [Insert Acquiring Company EBITDA Margin]
5. Estimated Synergy Percentage: [Insert Estimated Synergy Percentage]

Calculations:

1. Target Company EBITDA: Target Company Revenue \* Target Company EBITDA Margin
2. Acquiring Company EBITDA: Acquiring Company Revenue \* Acquiring Company EBITDA Margin
3. Total EBITDA Combined (without Synergies): Target Company EBITDA + Acquiring Company EBITDA
4. Synergy EBITDA: Total EBITDA Combined \* Estimated Synergy Percentage
5. Total EBITDA with Synergies: Total EBITDA Combined + Synergy EBITDA

Outputs:

1. Estimated Synergy EBITDA: [Formula result from Synergy EBITDA calculation]
2. Total EBITDA with Synergies: [Formula result from Total EBITDA with Synergies calculation]

Conservative Scenario:

* Estimated Synergy Percentage: [Insert Conservative Synergy Percentage]

Midpoint Scenario:

* Estimated Synergy Percentage: [Insert Midpoint Synergy Percentage]

Aggressive Scenario:

* Estimated Synergy Percentage: [Insert Aggressive Synergy Percentage]

Part 2 - Summary Email to Supervisor:

Subject: Synergy Model Summary - Target Company Acquisition

Dear [Supervisor's Name],

I hope this email finds you well. As per your request, I have created a simple synergy model to determine the value of synergies for the recent target company acquisition. Please find the model attached in the Excel file named "Synergy\_Model.xlsx."

Based on the analysis, the estimated directional value of synergies on the target company acquisition falls between X and Y (Please insert the conservative and aggressive synergy values).

The model is organized with clear inputs for target company revenue, EBITDA margin, acquiring company revenue, and EBITDA margin. The estimated synergy percentage is also defined as an input, allowing for flexibility in different scenarios.

The calculations are structured to show the target company EBITDA, acquiring company EBITDA, total combined EBITDA without synergies, and the calculated synergy EBITDA. The total EBITDA with synergies is also presented for a comprehensive view.

As requested, the model includes three scenarios - conservative, midpoint, and aggressive, with the respective synergy percentages for each scenario. This allows us to assess the potential impact of different synergy outcomes.

If you require any further analysis or have any specific adjustments in mind, please let me know, and I will be more than happy to incorporate them into the model.

Next Steps: I kindly request you to review the model and provide your feedback. Once we confirm the synergy percentage based on the acquired company's integration potential, we can proceed with the necessary steps for the acquisition.

Thank you for entrusting me with this task, and I look forward to discussing the model and our next steps in our upcoming meeting.

Best regards,

Balasubramanian PG

Associate Management Consultant

PWC

Top of Form

Bottom of Form

