



The following checklist is a general guideline designed to assist existing management along with ROI-Exchange target acquisitions.

**1. What is your main reason for engaging in Acquisition?**

- ☐ Create value for shareholders.
- ☐ Legacy for future generations.
- ☐ Transnational expansion of your existing product line and sales/distribution network.
- ☐ Concerns about capitalizing on opportunities from your region's continued change.
- ☐ Purchasing lucrative companies my competitor's overlooked.
- ☐ Other (Please specify)

**2. Regions of interest to acquire target companies.**

- ☐ Africa
- ☐ Asia
- ☐ Australia
- ☐ Europe
- ☐ Middle East
- ☐ North America

**3. Are there any countries that your organization has no interest in acquiring a target company?**

  
  
  

(Reason, to prevent ROI-Exchange from targeting an acquisition with a subsidiary or division in a non-desired country.)

#### 4. Select the types of acquisitions with ROI-Exchange that will benefit you.

☐ **Bolt-on:** A bolt-on acquisition is added by your organization to one of its division companies. Acquiring a larger company that has a position in a particular market. This company becomes a platform to expand into the market because it has the management capabilities, infrastructure, and systems that allows for organic or acquisitions growth.

This bolt-on company will look for additional bolt-on acquisitions that provide complimentary services, technology, or geographic footprint diversification and can be quickly integrated into the existing management infrastructure.

☐ **Horizontal:** Acquiring a similar company that sells similar products in your existing markets. For example, if Coca-Cola were to acquire Pepsi, this would be horizontal. Horizontal Acquisitions create a larger organization with more market share. Because the acquired company may have similar business operations, opportunities to join certain operations, such as manufacturing and Research and Development will reduce costs.

☐ **Vertical:** This acquisition may not compete with your organization, however exists in the same supply chain. For example, an automobile company that acquires a parts supplier would be vertical acquisition. This acquisition would allow your organization to obtain lower pricing on parts and have quality control over manufacturing process. The acquired parts division would be guaranteed business because in addition to your organization, they have additional contracts with other companies.

☐ **Conglomerate:** Acquiring a company that sells its products in different markets. There may be no synergy of its product lines or areas of business. Your organization gains diversity of its business portfolio. For example, if a shoe company acquires a water filter manufacturer with an understanding that demand would rarely be reduced in both product segments at the same time.

☐ **Product extension:** Acquiring a company that sells products into different price points of the same markets. For example, a manufacturer of expensive stoves acquires a company that makes low priced models. Your organization now has a complete product line with various price points.

☐ **Market extension:** Acquisition of a company with similar products and services to grow into markets where your organization is currently not dominant. For example, instead of investing to try and establish a retail presence in Europe, Wal-Mart may acquire a European retailer that is successful with good brand recognition. The two organizations are both large retailers selling similar products. They have found success in different parts of the world. Applying this example to your organization would result in a diverse, global presence.

#### 5. Preferred acquisition transaction size in USD.

(Note: ROI-Exchange minimum acquisition transaction size USD \$25 million)

- ☐ Nano-cap companies: below \$50 million.
- ☐ Micro-cap companies: \$50 million - \$250 million
- ☐ Small-cap companies: \$250 million - \$2 billion.
- ☐ Mid-cap companies: \$2 billion - \$10 billion.
- ☐ Large-cap companies: Over \$10 billion.