



Kraft Heinz bid for Unilever Analysis Case Study

Scenario:

You are an analyst working at an M&A advisory boutique, specializing in the consumer goods sector. Your manager wishes to discuss the well-publicized recent failed bid made by Kraft Heinz for Unilever with clients. You have been asked to prepare a PowerPoint presentation, of no more than 5 pages (in addition to any cover page/ contents page) summarizing your analysis of this failed bid. This presentation will then be shared by your manager with clients interested to know more about the deal.

Your analysis should include at a minimum:

- A summary of the two firms, how they compare and contrast of both an operational and financial level
- The rationale/ strategic fit of the bid from the acquirer's perspective
- Your analysis of standalone fair value of the target (not including control premium), and how much you would have recommended Kraft Heinz bid (including control premium) for a full takeover were they your client

Your analysis could also include:

- Your thoughts on the reason Unilever rejected the bid
- Are any other bidders likely to attempt to acquire Unilever?
- What funding sources would you have recommended on such a deal and why (what combination of acquirers cash balances, newly issued loans/bonds, equity)
- EPS accretion/ dilution analysis based on the final bid level (i.e. what would have been the impact on Kraft Heinz's EPS if they had been successful)
- Anything else you believe to be relevant and interesting to corporate clients looking at this deal

Notes:

- Your valuation summary can include DCF valuation, trading comparables valuation, recent transaction / deal comparables valuation, recent transaction control premia of any combination therein that is useful in your analysis
- All information needed for this case is available publically on the internet, including press articles, the two firms', and their competitors', annual reports and share price histories
- You can use any data source you find useful
- Your output must have a combination of qualitative and quantitative analysis
- You need not submit your workings or Excel models, but you may wish to include some numerical outputs of your analysis
- The 5-page limit is intentional as your manager wishes to have a high level, impactful summary – entries with more than 5 pages of content (in addition to any cover page/ contents page) will not be graded
- Where data is unavailable, annotate any reasonable assumptions you have made
- Once complete, save the PowerPoint file in PDF format for submission – do not forget to include all names of team members on the cover page



Rules:

- Maximum of 3 participants in any one team.
- Entry to the competition is restricted to one entry per person
- Multiple entries will be disqualified.
- Automated entries, bulk entries or third party entries will be disqualified.
- Closing date for entries is **9:00 am on 8th October 2017**. Any entries received after this time and date will not be considered and will therefore be null and void.
- Prizes:
 - **1st Prize** - Winners can attend one day of AMT's public courses in London each of their choosing (subject to availability and valid for twelve months).
Total value of prize £1950.00
 - **2nd Prize** - Ultimate set of Crunch The Numbers books for each participant.
Total value of prize is approximately £228.00
 - **3rd Prize** - Essential set of Crunch The Numbers books for each participant.
Total value of prize is approximately £120.00
- Entries will be judged by an AMT panel of experienced trainers, who were investment banking professionals. Their decision will be final.
- Feedback on individual team entries will not be provided.
- Winners will be announced at the conference on **Saturday 21st October 2017**.