

Deal Terms	
1 PWTN SW = CHF55 + 1.58 DSV	
Target: Panalpina	
Country	Switzerland
Bloomberg	PWTN SW
Sector	Logistics
Share price (CHF)	176.60
Market cap (CHFm)	4,210.9
Free float (%)	42
Acquirer: DSV A/S	
Country	Switzerland
Bloomberg	DSV DC
Sector	Logistics
Share price (DKK)	513.00
Market cap (DKKm)	93,943.6
Free float	95
PWTN SW Price Chart (Last 12 months)	
	
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Panalpina (PWTN SW) / DSV (DSV DC) Unsolicited non-binding proposal

Although we don't think this is DSV's final offer, we would not take a position as the offer is only indicative and the main shareholder does not appear to be a willing seller.

- Current value of the proposal is ~177CHF

Bidder commitment

- **DSV appears to be eager to make a large acquisition.** It has lost out to CMA CGM in acquiring CEVA last year (we note that DSV increased its original offer back then)
- DSV has a long history of acquisitions and a good track record of extracting value
- **The company has room to increase** the cash element as its leverage is below 1x. The current offer includes a share element just below 20% of DSV's current sharecount (no bidder vote is required).
- A **hostile offer is unlikely** in our view as they would not be able to reach 67% (merger threshold) without the support of the Foundation.

Board / shareholder support

- **The ultimate decision will be made by the Göhner Foundation, which owns 45.9% of shares.**
- We note that in 2018 PWTN repeatedly stated that they want the company to **remain independent** and intend to make acquisitions instead. Most recently they rebuffed K+N in November 2018.
- The share element is designed to appease the main shareholder, however we note that the Foundation holds exclusively Swiss companies only (might hold German, Austrian companies with Swiss interests). Also, the div. yield of DSV is much lower as compared to Panalpina (0.40 vs 2.7%)
- **Panalpina appears to be a key holding for the Foundation** (it is held separately from other equity stakes and is the last holding received from its founder)
- **Minority shareholders have little power to force a deal** (2/3 is required to replace 2 or more board members, votes are capped at 5%, while the Foundation is exempted from this rule).
- **On the positive note** PWTN lacks scale, the Foundation may remain invested in the industry via DSV. There might be a price where they would be willing to sell. They also will replace the company's chairman after pressure by Cevian, who was said to be an obstacle to a takeover. The Foundation sold some long-term assets in the past (Electrowatt, CEDES).
- We don't expect the board to recommend a deal without the support of the Foundation's nominees

Counter-bid:

- K+N is mentioned as a potential interloper and they have shown interest in PWTN in November. However, they would face the same obstacle (main shareholder) and might have already made a move in case they would have expected support from the Foundation.

Valuation

- **We see upside to the CHF180-190 range, assuming synergies of CHF275m, WACC of 7-8%, tax rate of 25% or even higher in case more synergies could be extracted.** We note that DSV achieved ~5% of cost base, when it acquired UTI-Worldwide in 2016. Synergies could be higher in this case given the geographic overlaps and the margin differential of the two companies.
- DSV CEO said they won't issue shares to finance cash portion of the deal. Current leverage is at ~0.9x. It would increase to 1.85x (1.5x after synergies). Management estimates the leverage ratio could go up to 3x without issuing shares. The stock component is as large as it can be without requiring the approval of DSV shareholders (just below 20%)
- A deal would still be EPS attractive with CHF70 + 1.58 DSV. Leverage would increase to 2.1x and 1.75x

Key terms of the proposal

Transaction Details

Announcement Date	January 16, 2019
Offer structure	N/A
Offer terms	1 PWTN SW = CHF55 + 1.58 DSV
Deal size	CHF4b
% owned by PWTN stockholders	16.6%
Target's Board	
Recommendation	N/A
Voting Agreement	No
Target Incorporation	Switzerland
Announcement	Click here for the announcement
Synergies	N/A

Indicated Closing Date

N/A

Dividends

Panalpina pays dividends annually in May. Last payout was CHF3.75/share.

DSV pays dividends annually in March. Last payout was DKK2/share.

PWTN capitalization

- PWTN Equity 23,750,000 registered shares with a nominal value of CHF 0.10
- PWTN leverage 0.4x
- PWTN Credit Rating N/A
- DSV Credit Rating BBB+ / A+

Key PWTN SW shareholders	%	Key DSV shareholders	%
Ernst Goehner Foundation	45.90	Blackrock	5.5
Cevian Capital	12.3	DSV	5.3
Artisan Partners	10.0	Wellington	3.9
Franklin	3.0	Capital Group	3.8
Oppenheimer	2.7	Morgan Stanley	3.5
Norges Bank	1.8	Allianz	2.9

Panalpina description

- The Panalpina Group is one of the world's leading providers of supply chain solutions.
- The company combines its core products - Air Freight, Ocean Freight, and Logistics and Manufacturing - to deliver globally integrated, tailor-made end-to-end solutions for twelve core industries.
- The Panalpina Group operates a global network with some 500 offices in around 70 countries, and it works with partner companies in another 100 countries. Panalpina employs approximately 14,000 people worldwide
- **Key figures**



Source: Panalpina

Bidder description

- DSV A/S is the parent company for a group of companies that offer transport and logistics.
- The Group provides truck, ship, and plane transport services, as well as warehousing and logistic services.
- DSV operates in Europe, North America, and the Far East.
- DSV is organised into three divisions offering the complete range of services to support our customers' entire supply chain:
 - Air & Sea – transportation by air and sea
 - Road – transportation by road
 - Solutions – warehousing and logistics services
- Recent acquisitions:
 - DSV is an industry consolidator and seeks to acquire a large, global company focused on air and sea operations.
 - UTi:
 - The state of UTi, and its two money-losing years before being acquired by DSV, posed an integration challenge. UTi hurt DSV's margins in 2016, yet DSV exceeded its own expectations by restoring margins in 2017 to higher levels than before the deal. This exhibits management's capabilities to take on a large, underperforming company, and raise its level of performance and returns to DSV standards.

A	Effective Action Type	Ticker / ID	Summary
1)	10/23/18 Acquisition	DSV DC	WITHDRAWN - Target: Ceva Logistics AG, Sought: 100.00%
2)	09/04/18 Acquisition	DSV DC	Target: S&H Fulfillment BV, Sought: 100.00%
3)	01/25/16 Acquisition	DSV DC	Target: UTi Worldwide Inc, Sought: 100.00%
4)	12/03/14 Acquisition	DSV DC	WITHDRAWN - Target: UTi Worldwide Inc, Sought: 100.00%
5)	12/31/13 Acquisition	DSV DC	Target: Airmar Cargo SA, Sought: 100.00%
6)	12/31/13 Acquisition	DSV DC	Target: SBS Worldwide Ltd, Sought: 100.00%
7)	09/04/13 Acquisition	DSV DC	Target: Ontime Logistics AS, Sought: 100.00%
8)	04/30/13 Acquisition	DSV DC	Target: Seaintainers Group A/S, Sought: 100.00%
9)	11/07/12 Acquisition	DSV DC	Target: DSV-GL Latin America SA, Sought: 60.00%
10)	10/01/12 Acquisition	DSV DC	Target: Swift Freight International LLC
11)	09/27/12 Acquisition	DSV DC	Target: Certain assets, Sought: 100.00%
12)	12/31/10 Acquisition	DSV DC	Target: Transmedit Forwarding Pty, Sought: 100.00%

Source: Bloomberg

Rationale

- DSV says it's mainly Panalpina's air transport business that would transform DSV by adding "significant size"

Key deal risks

BOARD AND SHAREHOLDER STANCE

Board:

- Panalpina has rebuffed approaches in 2018
 - 2018 March
 - Panalpina expects the freight forwarding and logistics market to consolidate further and plans to play an "active" role "as a buyer not seller," according to Sandro Hofer, co.'s media relations manager.
 - "The company has the full support of the Ernst Goehner Foundation" to do so, Hofer said in emailed comments in response to questions

- 2018 nov
 - Panalpina says its board of directors reiterates that the Swiss logistics company wants to further develop its business “independently,” amid growing speculation it may become a takeover target as the industry consolidates.
 - Panalpina’s growth strategy “includes M&A activities as the company wants to take an active role in the consolidation of the market,” a spokesman said in an email in response to a Bloomberg query.
 - CEO of peer Kuehne + Nagel told Switzerland’s Finanz und Wirtschaft in a Nov. 23 interview the co. wouldn’t make any hostile takeover, but that it’s “always ready to talk” should Panalpina want to engage in discussions
 - **Panalpina’s board** “adheres to best-practice corporate governance principles and as such, **will always consider and evaluate all its options and opportunities in the best interest of all stakeholders.**”
- 2018 july
 - Panalpina’s management team has been given a mandate by the board of directors “to ensure we can survive as a top 5 player in our field as an independent company,” CFO Robert Erni says by phone, responding to frequent speculation about a possible takeover of the Swiss freight shipper.
 - If co.’s transformation to a new software platform “is successful, and quarter by quarter you can tell we’re making progress slowly but surely, then there’s no need to sell Panalpina,” Erni says in interview
 - **“The value that investors can get by us, as an independent company, improving its profitability, would certainly be much higher than simply selling Panalpina,” Erni says**
 - More generally, transport sector consolidation will “accelerate because the world will become more volatile”; Panalpina is looking for deals to grow in the perishable goods sector, which is still “very fragmented”
- Panalpina’s chairman, seen as a hindrance to a sale, will step down.
 - “This decision is in the best interest of Panalpina and all of its stakeholders. The long term goals of the company are best served by electing an independent chairman of the board at this time to further improve on a best in class governance. This process will strengthen the company on its strategic path forward.”

Shareholders

- DSV hasn’t been in contact with Panalpina shareholders yet regarding their view of DSV’s offer
- By offering shares in the merged entity DSV may be trying to get the foundation on board
- The ultimate decision will be made by the Foundation, which owns % of shares.
 - We note that in 2018 they repeatedly stated that they want the company to stay independent and want PWTN to make acquisitions instead. Most recently they rebuffed K+N in November 2018.
 - The share element is designed to appease the main shareholders, however we note that the Foundation holds exclusively Swiss companies (or German, Austrian companies with Swiss interests). Also the dividend yield of DSV is much lower as compared to Panalpina (0.40 vs 2.7%)
 - Minority shareholders have little power (2/3 required to replace more than 2 board members, votes are capped at 5%, while the Foundation is exempted).
 - On the positive note PWTN lacks scale, the Foundation may remain invested in the industry via DSV. They also will replace the company’s chairman after pressure by Cevian, who was said to be an obstacle to a takeover.
- **Ernst Goehner Foundation**
 - The Ernst Göhner Foundation is a non-profit foundation that primarily supports third-party projects. It is denominational and party politically neutral.
 - It supports projects in the fields of culture , environment , social affairs , education and science .The foundation is active throughout Switzerland and pays close attention within Switzerland to exchanges between the regions.
 - The Zug-based foundation is both entrepreneurial and philanthropic in nature and also has the purpose of creating a family foundation. It is under the supervision of the central Swiss BVG and foundation supervision.
 - The foundation's assets mainly consist of equity investments, real estate and financial assets.
 - Every year, the Foundation pays out a considerable part of its profits for charitable purposes in the fields of culture, environment, social affairs, education and science.
- Mandate
 - EGSB invests in established medium-sized companies in the industrial and service sector with sales revenues in excess of CHF 50 million and a proven business model and track record, and strong, persuasive management. **The geographical focus is on Switzerland yet investments in Germany and Austria exhibiting a significant value-added share in Switzerland are also examined.**

- These holdings are maintained with a view to long-term profitable growth coupled with enhancing the value of these companies, while preserving jobs and expertise in Switzerland to the extent that this is possible
- As such, it primarily invests in companies and real estate in Switzerland owing to their long-term horizon.
- **Taking an active approach in managing the Foundation's assets is designed to generate income that provides for optimum stability so as to enable the continued fulfillment of the Foundation's designated remit.**
- We follow the "buy & hold" approach and see ourselves as a long-term investor who does not primarily want to exploit the economic cycles, but wants to participate in the value enhancement of the investments beyond the cycles. Accordingly, our target return is based on the long-term development of medium-sized private and public companies.
- As a rule, we participate with a qualified minority stake in companies with an enterprise value of CHF 50 - 300 million, whereby majority interests are not explicitly excluded.
- The Foundation's equity [holdings](#)
 - The Foundation's charter explicitly provides for participating holdings in former company members of the Göhner Group.
 - **With the exception of Panalpina Welttransport (Holding) AG, all corporate interests of the foundation are held and managed by EGS Beteiligungen AG.** The real estate activities of the foundation are summarized in the Seewarte Holding AG.
 - The stake in Panalpina World Transport (Holding) Ltd. was acquired by Ernst Göhner at the end of the 1960s
 - A stake in Panalpina Welttransport (Holding) AG was one of Ernst Göhner's values added to the foundation.

As of the end of 2017, EGS Beteiligungen Ltd. held the following significant stakes:	
Panalpina World Transport (Holding) Ltd. 	Leading global logistics corporation with the core activities air and ocean freight forwarding and complementary logistics services (publicly listed). Acquired: 1969, stake: 46%.
WWZ AG 	Utility company (power, natural gas, water and telecoms) servicing the Zug region and environs; Switzerland's second largest cable operator (Quickline). Acquired: 1988, stake: 10%.
Bauwerk Boen AG 	Leading manufacturer of parquet flooring coverings at the international level. Europe's number 1 provider of premium parquet flooring. Acquired: 2009, stake: 33% (since beginning of 2018: 65%).
Biella-Neher Holding Ltd. 	Manufacturer of office supplies with an international focus. Market leader in Switzerland and throughout Europe in the production of folder filing supplies. Acquired: 2010, stake: 26%.
Huber+Suhner Ltd. 	One of the world's leading manufacturers of electronic and fiber optic components and system solutions (publicly listed). Acquired: 2011, stake: 6%.
ORIOR Ltd. 	Swiss food group (publicly-listed) specializing in fresh convenience food and Swiss-style deli meat specialties (including Rapelli and Ticinella). Acquired: 2012, stake: 10%.
SwissTech Watch Components SA 	Leading supplier of watch band clasps made of steel and precious metals (gold and platinum) for the premium watch segment. Acquired: 2014, stake: 45%.
(Other holdings in: BioMedInvest Ltd. I+II, ESPROS Photonics Ltd., and Golf Lipperswil Ltd.)	

Source: Panalpina

- **Precedent exits by the Foundation**
 - Initially, the foundation's assets consisted mainly of a stake in **Elektrowatt AG**, which had ceded these to the Göhner Group. As part of the sale of Elektrowatt by Credit Suisse in 1998, the Ernst Göhner Foundation also sold its stake

- 2016 saw the sale of **CEDES Holding Ltd.**, in which EGS Beteiligungen Ltd. and the Ernst Göhner Foundation had had a 40% stake since 2007, to the Swedish ASSA ABLOY Group
- **Other shareholders:**
- The Swiss company is 12 percent owned by activist investor Cevian Capital AB, which welcomed the exit of Chairman Peter Ulber last year in a move seen as making a sale more likely.
 - Cevian has publicly called for Panalpina to explore a deal to sell itself after the Swiss company's share price stagnated for the past five years because of weaker profit margins than its competitors.
 - It has urged Panalpina to be open for a takeover amid its struggles in ocean freight, a delayed IT system and growth that lagged rivals.
- Shareholder **Artisan Partners'** David Samra tells Bilanz Panalpina's main shareholder Ernst Goehner Foundation is has done "poor job" and is not in the position to lead co.; adds shareholder structure needs to be changed
 - "Panalpina's board has checks and balances in place to reach independent, responsible decisions," spokesperson for Panalpina said in emailed statement adding that board "takes into account interests of all stakeholders"
- **Swiss takeover rules:**
 - Under the Swiss rules, following a successful public bid, a bidder can request a **squeeze-out** of the remaining shareholders if it holds more than **98%** of the target's voting rights.
 - A court order must be obtained to cancel the minority shares The bidder must file a request for cancellation of the target with the relevant court within 3 months after the end of the additional acceptance period
 - As an alternative, the Merger Act allows a bidder that holds more than **90%**, but less than 98% of all of a Swiss target's voting rights, to effect a **squeeze-out merger** of between the target and a Swiss wholly owned subsidiary of the bidder.
 - An alternative structure would be the **merger by absorption**.
 - A Merger requires that at least 2/3 of the voting shares present and the absolute majority of the par value of shares present vote in favor of the merger.
- **Corporate governance:**
 - **The Articles state that when exercising voting rights, no shareholder may directly or indirectly represent more than 5 % of the total shares issued by the Company for own and represented shares.**
 - **The limitations on transferability do not apply to the shares held by the Ernst Göhner Foundation** because it held PWT shares prior to the implementation of the limitations (so-called grandfathering)
 - A resolution of the General Shareholders Meeting of PWT on which at least two-thirds of the voting shares represented agree is required for any abolition or change of the provisions relating to transfer limitations
 - **Two members of the Board of Directors (Peter Ulber and Beat Walti) are also members of the Board of Trustees (Stiftungsrat) of PWT's main shareholder, the Ernst Göhner Foundation.**
 - Lars Förberg is a member of the Board of Directors of Cevian Capital, the second largest PWT shareholder.
 - The members of the Board of Directors are elected at each General Meeting of Shareholders with a one-year period of office. They may be re-elected at any time.
 - **2/3 of votes required for**
 - Abolition or change of transfer restrictions / provisions related to voting rights
 - **The removal of 2 or more members of the board.**
 - Shareholders who individually or together with other shareholders represent shares in the nominal value of CHF 1 million may request that an item be placed on the agenda. Such a request must be made in writing to PWT at least 60 days prior to the General Meeting of Shareholders
 - The ordinary Shareholders' Meeting is held every year within six months following the closure of the financial year.
 - The Board of Directors must convene extraordinary Shareholders' Meetings if shareholders who represent (individually or jointly) at least ten per cent of the share capital request in writing that a meeting be convened, stating details of the items on the agenda and the motions.

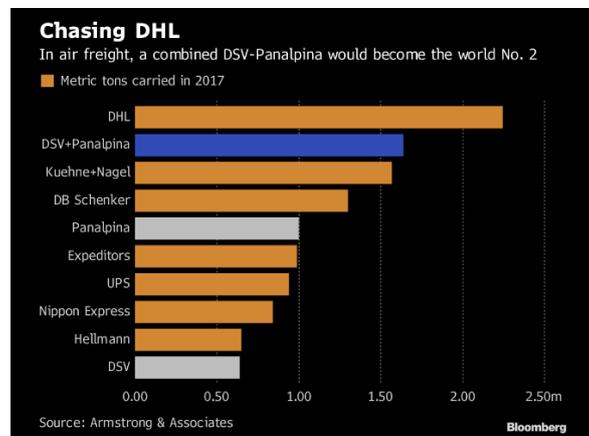
COUNTER-BID / BUMP

- K+N is mentioned as a potential interloper and they have shown interest in PWTN in November. However they would face the same obstacle (main shareholder) and might have already made a move in case they would have expected support from the Foundation.
- 2018 november
 - Kuehne + Nagel International AG, the world's largest container shipper, said it's seeking an acquisition that would transform its business as a wave of consolidation sweeps the global logistics industry.

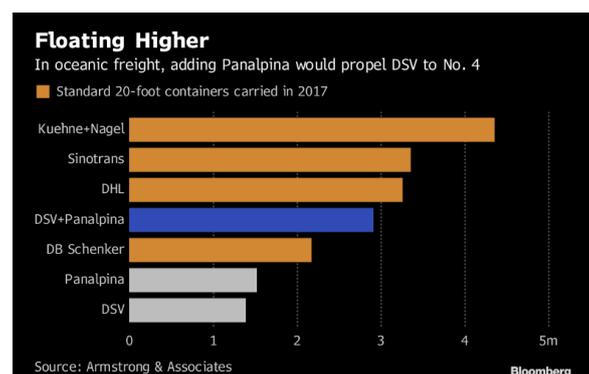
- The Swiss company is targeting bigger deals to tap new markets and add cutting edge freight-processing systems that would safeguard it from disruptive technology, according to Chief Executive Officer Detlef Trefzger.
- “I can imagine a large deal primarily to add technological competencies, or a deal with a strong focus on Asia.”
- The company’s balance sheet would provide sufficient firepower for a major purchase, he added.
- While Panalpina would add size, the CEO says he’s particularly interested in deals that would advance automation and digitalization amid concern that an upstart player could threaten his company’s business with breakthrough technology. That’s especially true since forwarders own few assets, instead booking space in container ships, freighter aircraft and trucks, and leasing warehouses.
- Focus on high-margin activities such as transporting batteries for electric cars, which are classified as dangerous goods and require special training and licenses.
- Late last year, Switzerland’s Kuehne & Nagel said it was ready to talk with Panalpina about a potential takeover.
 - K+N-Panalpina would make strategic sense, create No. 1 above DHL in air freight and almost double K+N’s size as No. 2 in sea freight
- DSV CEO: Deal is one of the best multiple in history
 - Refused to comment on potential raised offer

REGULATORY RISKS

- Antitrust issues appear to be manageable:
 - Freight forwarding and transport services might be considered as one market as per EC precedents.
 - The world’s top 20 freight forwarding companies control less than a third of the global market,
 - DSV estimates it has only a 2% share of the freight-forwarding market
 - Panalpina would bring a boost in both air-cargo volumes and ocean-going containers, complementing the Danish group’s strength in road shipments.
 - The combined company will become the second-biggest shipper of air cargo and No. 4 in the global logistics market overall
 - **Air Freight:**



- **Oceanic freight**



- Top freight-forwarders:

	Freight Forwarder	2017 Gross Revenue (USD)	Ocean TEUs	Air Metric Tons
1	DHL	\$27,598	3,259,000	2,248,000
2	Kuehne + Nagel	\$22,574	4,355,000	1,570,000
3	DB Schenker	\$18,560	2,169,000	1,300,000
4	Nippon Express	\$16,720	600,000	835,755
5	C.H. Robinson	\$13,503	698,000	175,000
6	DSV	\$11,374	1,389,611	635,655
7	Sinotrans	\$9,530	3,360,300	533,300
8	XPO Logistics	\$9,506	131,500	72,600
9	UPS Supply Chain Solutions	\$7,981	600,000	935,300
10	CEVA	\$6,994	729,000	480,000
11	Expeditors	\$6,921	1,070,424	985,549
12	DACHSER	\$6,911	522,300	335,500
13	GEODIS	\$6,255	690,000	330,000
14	Hitachi Transport System	\$5,935	500,000	280,000
15	Panalpina	\$5,621	1,520,500	995,900

Notes: Figures are company reported or estimated by A & A, along with forex rates

Source: Armstrong & Associates

Valuation

DEAL PREMIUM

- The indicative proposal (at announcement value of CHF170/share) represents a premium of 24% to Panalpina's closing share price of CHF 137.5 as of 11 January 2019 and 31% to the 60-day VWAP of CHF 129.5 as of 11 January 2019.

DEAL MULTIPLE

- The proposal represents 15.4x 2018 EBITDA, 13.6x 2019 EBITDA
- CEVA/CGM figures: 12.5x LTM EBITDA, 10.5x 2019 EBITDA
- DSV CEO says the offer "is among the very best in our sector's history based on whichever multiple you look at"

ROIC

- We see upside to the CHF180-190 range, assuming synergies of CHF275m, WACC of 7-8%, tax rate of 25% or even higher in case more synergies could be extracted
 - We note that DSV achieved ~5% of cost base, when it acquired UTI-Worldwide in 2016.
 - We believe that synergies could be higher in this case given the geographic overlaps and the margin differential of the two companies.

Deal value	2018	2019	2020
Bid price (CHF/sh.)	175.2	175.2	175.2
O/S (m)	23.8	23.8	23.8
Market value (CHFm)	4,160.9	4,160.9	4,160.9
Net Debt (CHFm)	123.2	123.2	123.2
Deal value (CHFm)	4,284.1	4,284.1	4,284.1
ROIC calculation			
BEST EBIT	121.5	165.2	200.8
Synergies	275.0	275.0	275.0
Adj. EBIT	396.5	440.2	475.8
Tax (25%)	99.1	110.0	118.9
NOPAT	297.4	330.1	356.8
ROIC	6.9%	7.7%	8.3%

	Bid price (CHF/share)				
	170.00	175.00	180.00	185.00	190.00
2020 EBIT (CHFm)					
160.0	7.8%	7.6%	7.4%	7.2%	7.0%
180.0	8.2%	8.0%	7.8%	7.6%	7.4%
200.8	8.6%	8.3%	8.1%	7.9%	7.7%
220.0	8.9%	8.7%	8.4%	8.2%	8.0%
240.0	9.3%	9.0%	8.8%	8.6%	8.3%

	Bid price (CHF/share)				
	170.00	175.00	180.00	185.00	190.00
Ann. Cost Syn. (CHFm)					
200.0	7.2%	7.0%	6.8%	6.7%	6.5%
250.0	8.1%	7.9%	7.7%	7.5%	7.3%
275.0	8.6%	8.3%	8.1%	7.9%	7.7%
350.0	9.9%	9.7%	9.4%	9.1%	8.9%
450.0	11.7%	11.4%	11.1%	10.8%	10.5%

EPS

- DSV CEO said they won't issue shares to finance cash portion of the deal.
- Current leverage is at ~0.9x. It would increase to 1.85x (1.5x after synergies)
 - Management estimates the leverage ratio could go up to 3x without issuing shares
- The stock component is as large as it can be without requiring the approval of DSV shareholders (just below 20%)
- We assumed 25% tax rate, CHF275m synergies

	2019	2020	2021	2022
# of shares (m)				
Target shares acquired (O/S)	24	24	24	24
Bidder (O/S)	188	188	188	188
Bidder shares issued to target shareholders	38	38	38	38
Total Bidder shares post-merger	226	226	226	226
EPS (CHF)				
Target EPS	4.887	6.016	5.570	6.160
Bidder EPS	3.76	4.19	4.56	4.92
MergedCo	3.650	4.13	4.39	4.75
Annual synergies (CHFm)	275.0	275.0	275.0	275.0
% of synergies realised	25%	50%	75.0%	100.0%
Syn/share (post tax)	0.23	0.46	0.69	0.91
Cost of synergies	- 0.40	- 0.40	- 0.22	-
Interest payment on debt /share (post tax)	- 0.2	- 0.2	- 0.2	- 0.2
Adjusted MergedCo EPS	3.31	4.01	4.68	5.49
Earnings accretion/dilution				
Bidder accretion	-12.1%	-4.3%	2.6%	11.6%

- Assuming CHF70 + 1.58 DSV
 - Leverage would increase to 2.1x and 1.75x

	2019	2020	2021	2022
# of shares (m)				
Target shares acquired (O/S)	24	24	24	24
Bidder (O/S)	188	188	188	188
Bidder shares issued to target shareholders	38	38	38	38
Total Bidder shares post-merger	226	226	226	226
EPS (CHF)				
Target EPS	4.887	6.016	5.570	6.160
Bidder EPS	3.76	4.19	4.56	4.92
MergedCo	3.650	4.13	4.39	4.75
Annual synergies (CHFm)	275.0	275.0	275.0	275.0
% of synergies realised	25%	50%	75.0%	100.0%
Syn/share (post tax)	0.23	0.46	0.69	0.91
Cost of synergies	- 0.40	- 0.40	- 0.22	-
Interest payment on debt /share (post tax)	- 0.2	- 0.2	- 0.2	- 0.2
Adjusted MergedCo EPS	3.26	3.97	4.63	5.44
Earnings accretion/dilution				
Bidder accretion	-13.4%	-5.4%	1.6%	10.6%

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