

# **The State of M&A in 2020**

**+ the biggest mistakes & bloopers**

**June 10, 2020**

**Anish K. Mitra - [anishkmitra@gmail.com](mailto:anishkmitra@gmail.com), @mitranyc on IG & Twitter**

# But First, Our Lawyers Wanna Say Something

## FORWARD LOOKING STATEMENT DISCLOSURE

- This presentation contains “**forward looking statements**” which, for today, means:
  - “**completely fabricated claims with some element of truth in an effort to entertain and make you laugh**”
- We will poke fun at the way we work, the M&A process and of course, lawyers & bankers
- All statements made in this presentation represent the views of the artist and hopefully, you too
- This will contain words such as “expect”, “anticipate”, “target” and “believe”
- This will also contain words such as: “Jeff Bezos is mad rich”, “YOLO” and “conference calls may or may not be mind numbingly boring”

***Lastly: don't be foolish and take investment advice (here or at all)***

# The YTD Macro Environment Has Been...

## Interesting

- 20 million unemployed
- Small businesses extinct
- Social revolution
- Murder hornets
- Grown men doing Tik Tok dances

So  
naturally:



CNBC

American billionaires got \$434 billion richer during the pandemic

U.S. billionaires saw their fortunes soar by \$434 billion during the nation's lockdown between mid-March and mid-May, according to a new ...

2 weeks ago



# Working From Home = The Office

Conference Calls Have (D)evolved

## PREPARING FOR A CALL OR MEETING

### BEFORE

- Get dressed in work clothes
- Prepare background info
- “tie up loose ends”
- Make sure you’re not on mute

### NOW

- Get a shirt
- Prepare Zoom background
- Tie up kids running loose
- For the love of God:  
MAKE SURE YOU’RE NOT ON MUTE

# Meeting Fatigue Is Real

## ...can you make it an e-mail?

### Technology Landscape + “Email or Nah?” Tool



In Person Meetings

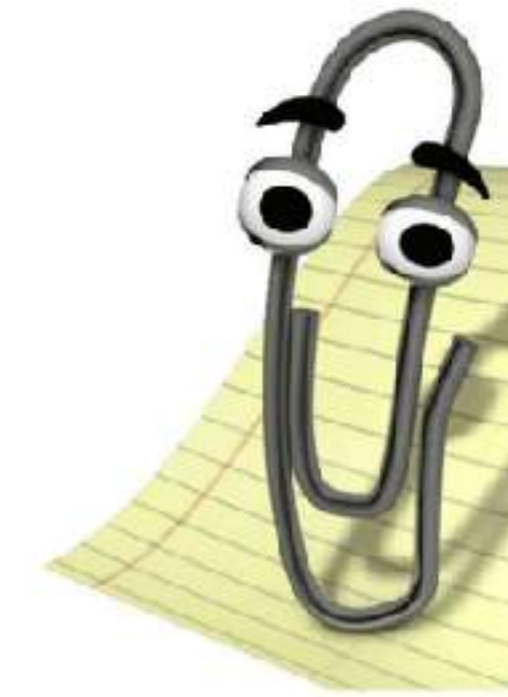


zoom

cisco Webex

skype™

BlueJeans  
VIDEO CONFERENCING



“uh oh, looks like you’re scheduling a video call...”

Is anyone senior on the call?

Y

N

External?

Y

N

EMAIL

Can you lie about a firewall issue?

Y

N

EMAIL

e M a i L

Do we really care about risk management?

Y

N

Can't win 'em all



“YOLO”

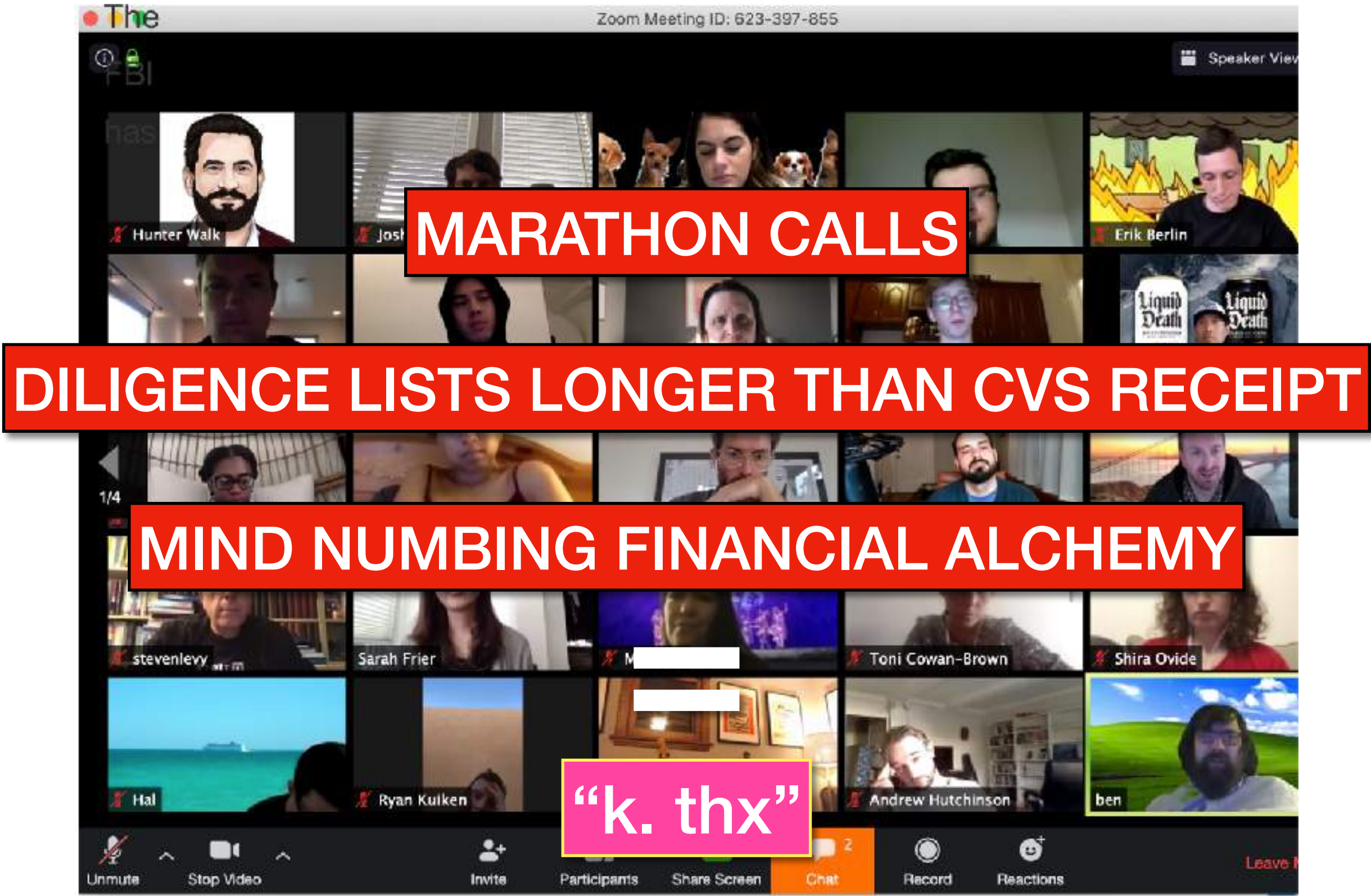
# Diligence: Life vs. Work

Why?

In life, we are great at diligence:

| Issue              | Tool                                                                                  |
|--------------------|---------------------------------------------------------------------------------------|
| Buying a car?      |   |
| Restaurants?       |  |
| Billionaires?      |  |
| High School Crush? |  |

At work, we struggle:



# Cultural Diligence

What If I Told You...

Your 2020 Cultural Diligence Toolkit

glassdoor

## EXHIBIT A: Sample Diligence Finding



"Amazing company to work for"

5.0 ★★★★★ Former Employee - Level V

☒ Recommends

☒ Approves of CEO

I worked at In-N-Out Burger part-time

### Pros

The company cares about their employees. Not only do they pay above minimum wage they also have company parties, sporting events and give out Christmas gifts.

### Cons

There was little to no opportunity for full time work.

QUICK

ACCURATE

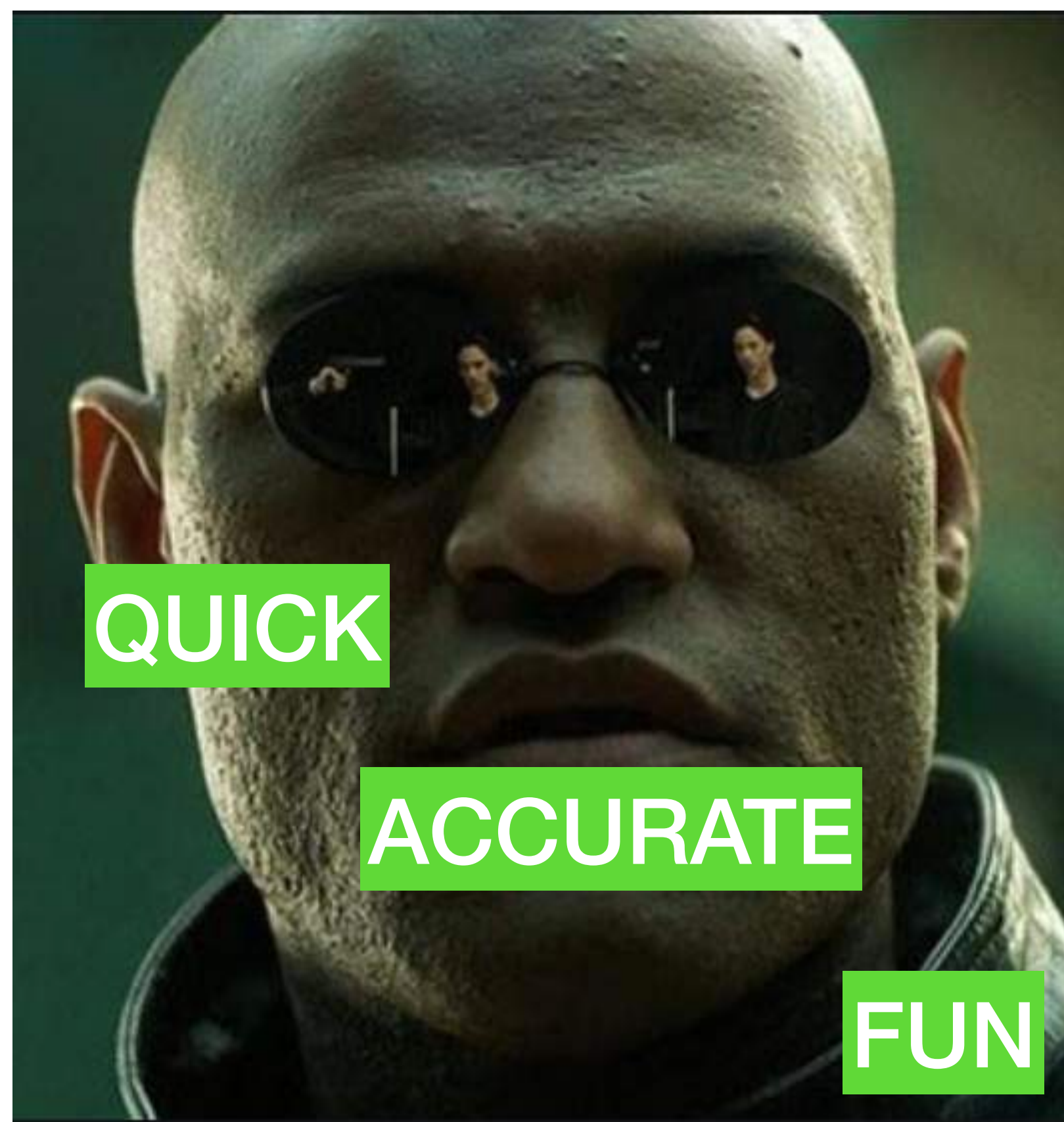
FUN

MULTIPLE OPPORTUNITIES FOR **COST REDUCTION**

# Cultural Diligence (cont'd)

## Bonus Case Study

glassdoor



QUICK

ACCURATE

FUN

### EXHIBIT B: Another Sample Diligence Finding

"[redacted] worstjobever"



Former Employee - Outbound Sales Representative in San Francisco, CA

Doesn't Recommend

Negative Outlook

Disapproves of CEO

#### Pros

Cool shirts, good snacks, Phil's coffee.

#### Cons

Beware... job was nothing like what I was sold on to begin with. Free dinners! Unlimited PTO! Flexible hours! Great place to work!" All a bunch of fluff. Do not become a [redacted] slave whatever you do. Employees are treated terribly, overworked and under-appreciated by a CEO who is in over his head. Great product, poor leadership. Absolute chaos. Not to mention they've changed their comp plan 3 times within the past year, lying to current and potential employees. Unrealistic metrics coupled with insane work hours. Absolutely no work/life balance. You will hate life. Could not think of a worse job or place to work...

Successful M&A Integration

# Integration

## The Budget

How does everyone feel about the iBudget?

*Holiday Season  
Edition*

TARGET



ACQUIRER



SHAREHOLDERS



PEERS (@ acquirer)

# Integration: Title Distribution

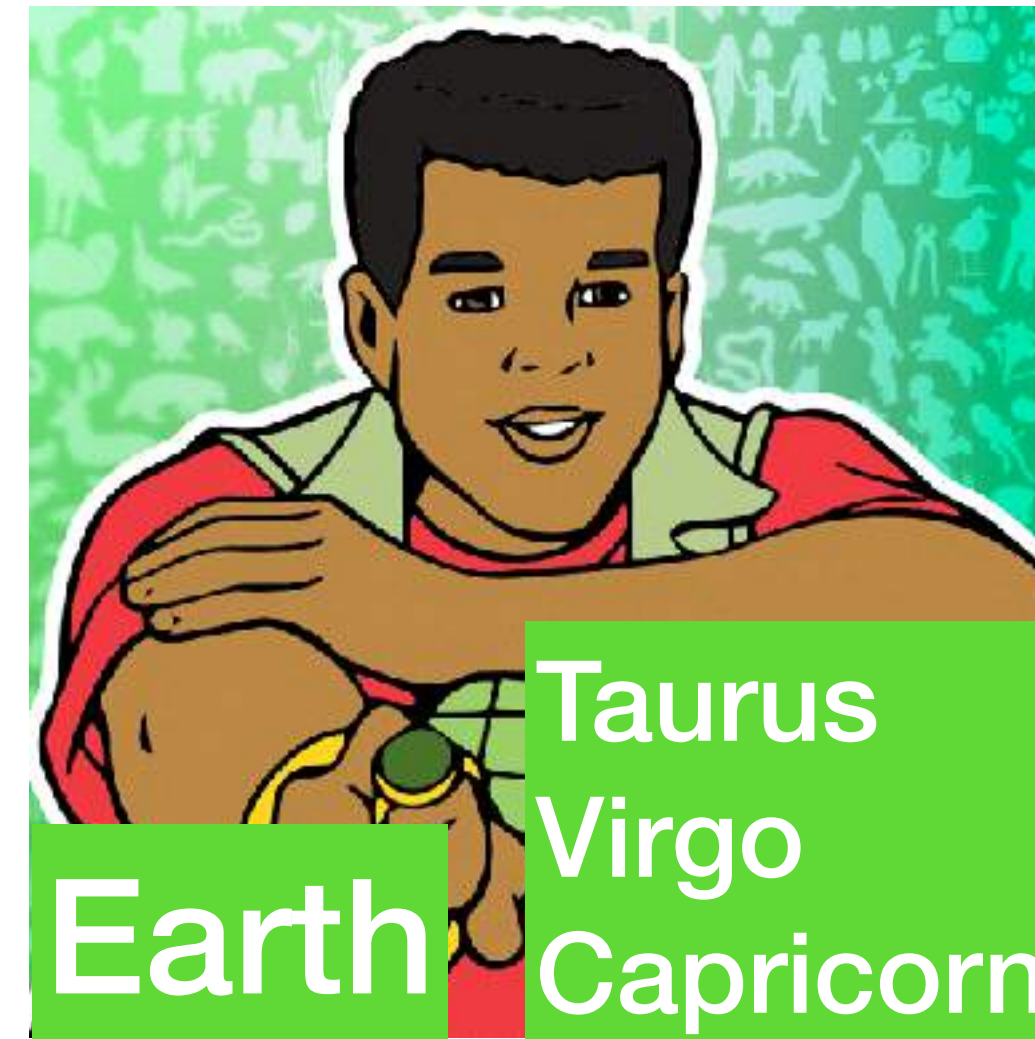
A scientific, data-driven solution



Passionate

At-risk for burnout

**Vice Presidents**



Trustworthy

Rigid

**Head**



Quick witted

Commitment phobia

**Directors**



Intuitive

Gossip experts

**Executive +**

**Any combo of VP/  
Director/Head**

# Valuation Post COVID-19 (Financials)

It's easier to value assets...

## Revenue

- No need to worry about long term projections
- If revenue synergies don't happen, can blame murder hornets
- COVID Adjusted EBITDA is your best friend

NOTE: continue hiring bankers & consultants for old times' sake

## Cost

- Footprint consolidation completely irrelevant
- **Consolidate:** Zoom Pro Membership, Uber Eats rewards points, Xbox Live accounts
- **Role redundancy?** Choose whoever knows how to use MUTE or is never 'away'
- **Modern Onboarding:** Much like old college admissions, target gets small or big package

NOTE 2: if you can't spot the revenue dis-synergy...

**It's you**

# Valuation Post COVID-19 (Consideration)

...but harder to win auctions

Since Beginning of Time



Post COVID-19

venmo



(\$bn+ deals only)



NOTE: doesn't need to be effective, just visible

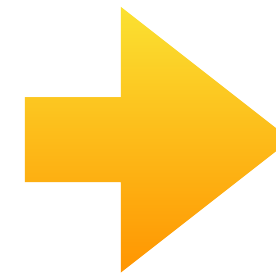


## Directly from our Head of Market Insights



### Bull Case

- Low interest rates
- Low inflation
- PE dry powder
- FOMO



### Buller Case

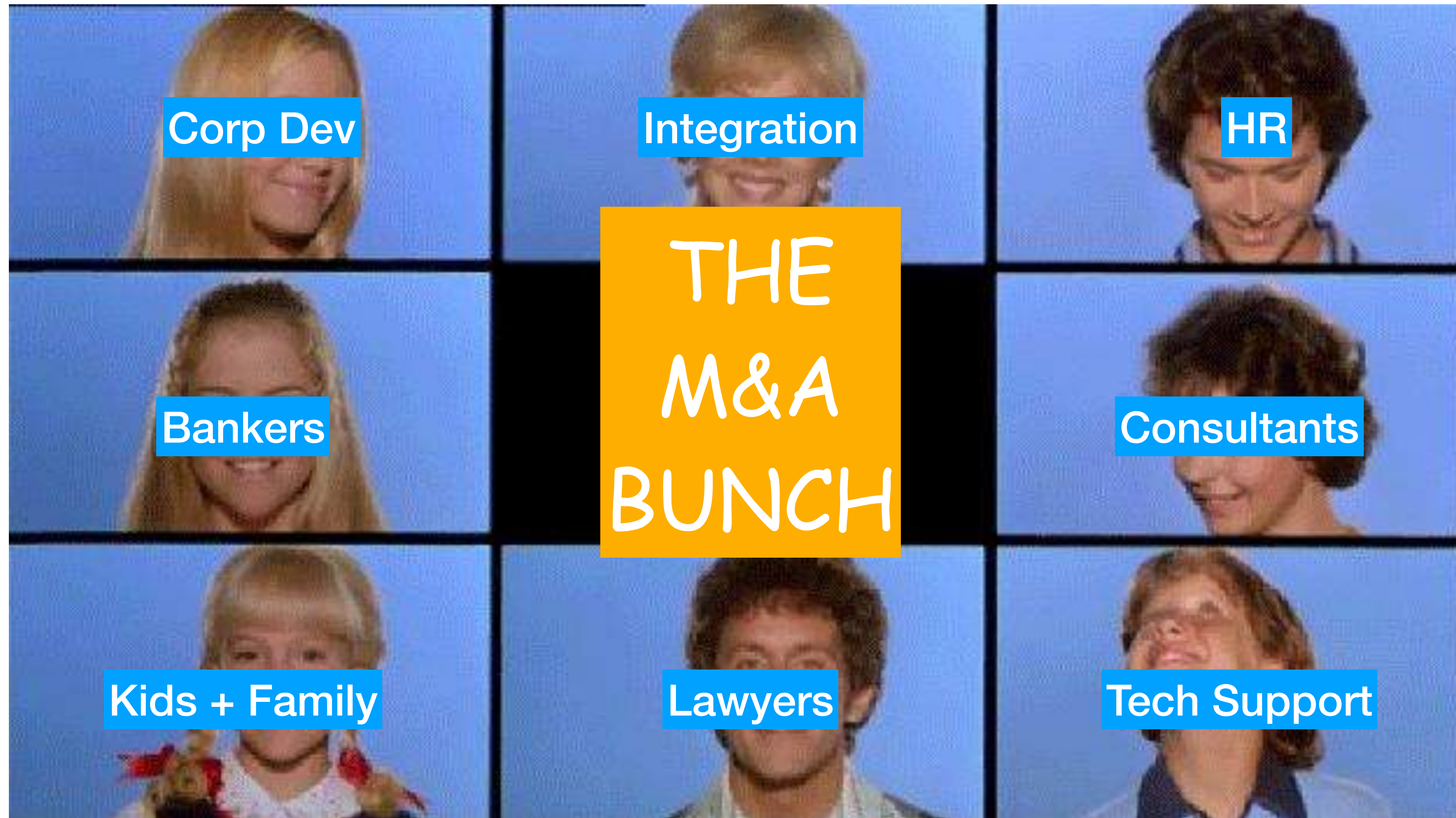
- FOMO + YOLO
- Does inflation even exist tho?
- Money printer working overtime
- Advisors still need fees



**We see these transactions materializing by 2H21**

1. **Uber Eats...Uber:** All of **Uber** rebrands to **Uber Eats**
2. **Protection:** **Lysol** buys **Lockheed Martin** becoming the **2nd** largest global security company in the world
3. **Prime Pricing:** **Jeff Bezos** buys the rest of **S&P 500** (free 2 day closing)
4. **Star Power:** **Elon Musk** discloses 23% minority stake in **Milky Way Galaxy**

# Looking Ahead



# Thank You



## Anish K. Mitra

*Comedian, Entertainer, Writer*



### Contact

- [anishkmitra@gmail.com](mailto:anishkmitra@gmail.com)
- **IG & Twitter:** @mitranyc
- **LinkedIn:** Anish K. Mitra