

M&A TRANSACTION SERVICES

HUMAN CAPITAL DUE DILIGENCE SERVICES

A BLUEPRINT FOR SUCCESS

What if you had an in-depth look at the areas that can make or break a deal — HR financial issues, talent, culture, and organization design and operations? With Mercer's Human Capital Due Diligence Services, you can gain a competitive advantage during Purchase Agreement negotiations and maximize post-closing value.

Our comprehensive due diligence analysis offers practical insights and solutions. We surface the critical issues quickly, helping you get clarity and certainty on pricing, prepare for negotiations, and lay solid groundwork for closing and integration.

HR FINANCIAL ISSUES EXPERT ADVICE, PROJECTIONS AND SENSITIVITY TESTING

Analyze HR programs from a financial perspective, including developing cost estimates to validate or identify differences in estimates provided by the seller with a focus on uncovering potential incremental cash or P&L charges or risks/sensitivities that buyers need to understand. We coordinate seamlessly with your tax, finance and legal teams to identify liabilities, risks and opportunities, and advise on future trends and operational considerations.

TALENT YOUR MOST VITAL ASSET

We are highly skilled at assessing the critical people issues — including leadership capabilities, retention risks and executive compensation transition plans. This can help you mitigate the impact of change and uncertainty, engage employees and retain key talent.

CULTURE THE RIGHT FIT MATTERS

We provide practical insights into the organizational culture of a target business. Throughout the deal process, we help you find

ways to drive the right behaviors for positive business outcomes.

ORGANIZATION DESIGN AND OPERATIONS A SEAMLESS INTEGRATION

HR operations influence closing and (depending on the deal structure) integration. At Mercer, we help you better understand the people, data and systems, and how they affect the if, how and when of integration.

CREATING VALUE FROM YOUR HUMAN CAPITAL – THE RISKS AND OPPORTUNITIES

Mercer has more than 200 dedicated global M&A professionals who work with our 20,000 subject matter experts. From skilled HR professionals who offer expert insight and guidance to help you get the most from your people to our global network that can assist with cross-border transactions in virtually any country, our experienced deal specialists advise on thousands of deals each year across all industries.

We provide analysis in these areas:

FINANCE

- Executives and key employees
- Retention and severance
- Compensation and incentive plans
- DB Pension, DC 401(k), active and retiree healthcare

OPERATIONS

- Organization design and workforce alignment
- Labor and employee relations
- HR operations and technology
- Employee communications and engagement
- Culture and organizational fit
- HR policies/practices

MAKE TOMORROW, TODAY



CONDUCTING COMPREHENSIVE HUMAN CAPITAL DUE DILIGENCE

Our findings and recommendations provide the information you need to consider in making your go/no-go decision with confidence.

FINDINGS

- Review executive summary that provides a financial and operational assessment
- Identify and quantify risks and red flags
- See the impact on the deal – and on the purchase price
- Project cash and P&L costs, and estimate balance sheet liabilities
- View side-by-side HR program and policy comparisons, with benchmarking and Mercer commentary

RECOMMENDATIONS

- Get key input to purchase agreement and deal terms and conditions
- Identify strategies to reduce risk
- Take an informed approach to the Transition Services Agreement
- Develop a preliminary operating and integration strategy
- Discover integration synergies and opportunities
- Ensure Day 1 readiness

To learn more, download our report People Risks in M&A Transactions; Mercer Research Report, available at www.mercer.com/peplerisk

MERCER'S M&A READINESS RESEARCH™ SERIES



mercer.com/culture



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mercer.com/retention

“From negotiations to post-closing, Mercer’s Human Capital Due Diligence Services offers clients vital insights — and a distinct competitive advantage.”

— COO, Life Sciences Industry

ABOUT MERCER'S M&A TRANSACTION SERVICES

Mercer's M&A Transaction Services is the preeminent global M&A advisor on people issues to buyers and sellers in corporate and private equity transactions.

To learn more, visit www.mercer.com/mergers-acquisitions

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