

# Reasons for Mergers and Acquisitions

C S Liew, Pacific Agriscience Pte. Ltd, Singapore

**Based on experience and cases in the crop  
protection (US\$70 billion) and crop nutrition  
(US\$ 210 billion) industries.**

# Introduction



**C S Liew**

**Pacific Agriscience Pte.Ltd**

**Managing Director**

- CS has 45 years' global agricultural sciences and innovation experience
- He has served as a Director on several boards including Nufarm, Thailand based Sotus International and Indian owned but formerly Singapore-listed Meghmani Organics.
- He is currently on the Advisory Board of Agribusiness Global, a world-renowned agricultural inputs magazine based in Ohio, USA.



**AgBusinessMedia**



**AgriBusinessGlobal**



**AgriBusinessGlobal**

**TradeSummit.com | #ABGTradeSummit**

# Reasons for the Buyer

1

Market Access

2

Filling technology gaps

3

Investing excess accumulated capital



## Reasons for the Buyer (cont'd)

4

Synergy in products, technologies & corporate goals

5

Integration : vertical / horizontal

6

Increasing geographical coverage and offerings to tap foreign demand





## Reasons for the Buyer (cont'd)

7

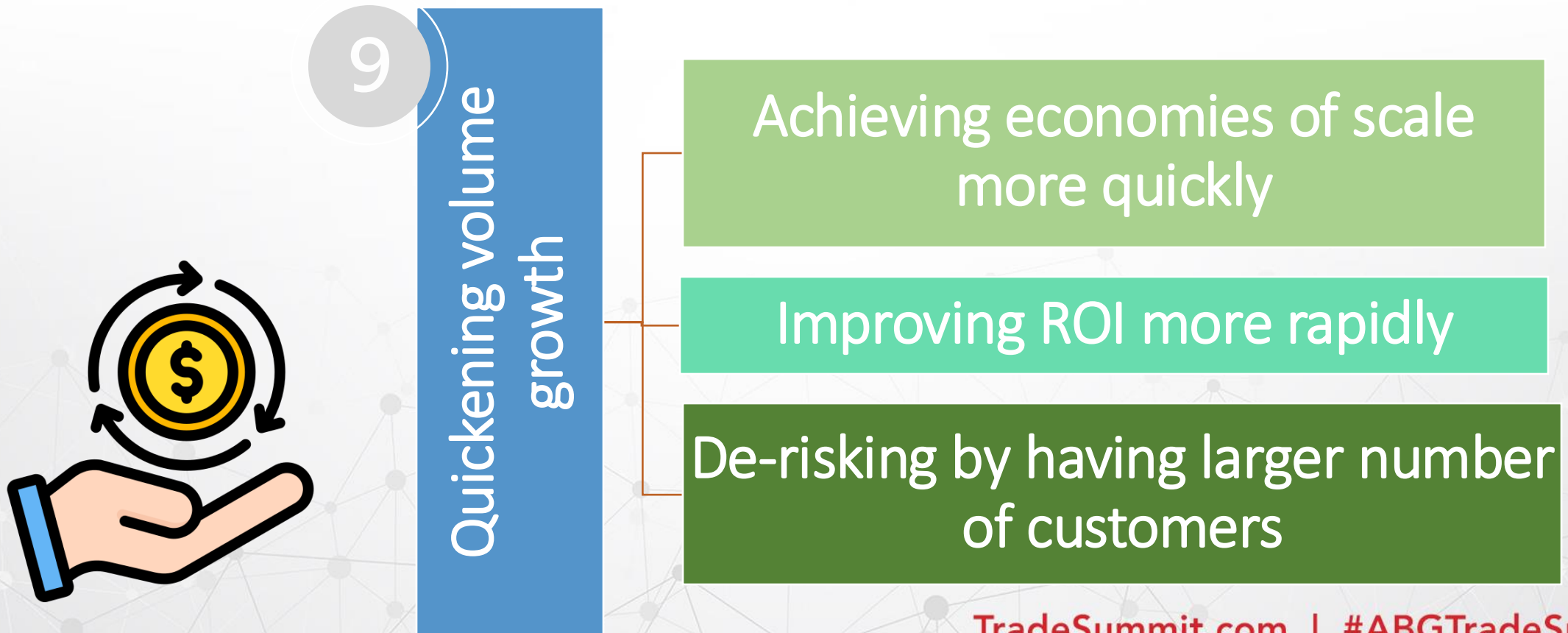
Diversification

8

Delivering financial results to  
shareholders, stakeholders and  
financiers



## Reasons for the Buyer (cont'd)

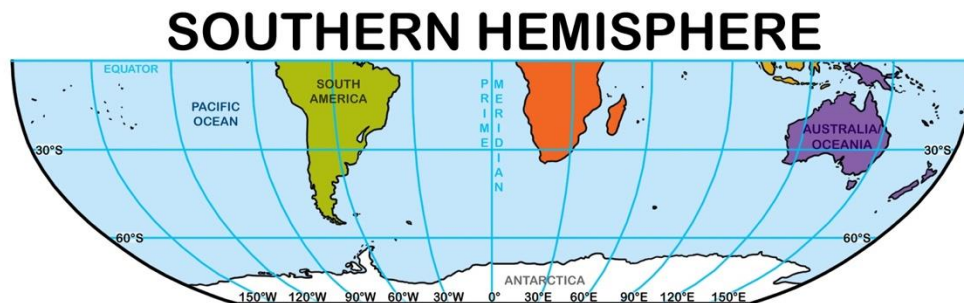


# Reasons for the Buyer (cont'd)

10



**NORTHERN HEMISPHERE**



**SOUTHERN HEMISPHERE**

Balancing northern hemisphere with southern hemisphere sales



# Reasons for the Seller



1

Cashing out

2

Have bigger and better fish to fry

3

Sun-setting scenario / Dim future

4

No succession

5

Stagnation or Decline

6

Focus on innovation and/or production

## Reasons for the Seller (cont'd)

7

Lack of capital and manpower resources to take the business global

8

Lack of a global network of sales channel to access overseas markets

9

Risk/Reward considerations in going global to tap growth potentials

# Best Fit and Outcome Scenarios



# Best Fit and Outcome Scenarios (cont'd)





## Best Fit and Outcome Scenarios (cont'd)

- In case of partial take-over, buyer reserves right to 100% ownership based on meeting mutually-agreed goals
- In case of seller projecting significant sales/profit growth during the ensuing 2-3 years, seller is to accept “earn-outs” or staggered payments
- Post-acquisition plans and diligent implementation
- Recognizing that deal-closing is only the beginning of an M&A success story



# Challenges in Getting M&As Going and Closing Deals

- Unrealistic valuation expectations of Sellers
- Sellers want to have the cake and eat it
- Generally, not wanting to sell when the going is good
- Buyers want to date, Sellers want marriage
- In Asian context, (except in westernized Singapore)
  - Selling one's company results in losing face
  - Not getting a high value results in losing face
  - Wanting to buy targets for a song
  - "No harm in taking a look"

# Case Studies



InVivo of France  
acquiring a  
majority stake in  
CCAB Agro in  
Brazil



Adama of China  
acquiring 100%  
of Grochem of  
New Zealand



# THANK YOU!

## Questions?

### Contact Info



[cs@pacificagriscience.com](mailto:cs@pacificagriscience.com)



[www.pacificagriscience.com](http://www.pacificagriscience.com)



+65 9634 9079



C S Liew



AgBusinessMedia



AgriBusinessGlobal



AgriBusinessGlobal