

NDBIB Successfully Closes Mobitel's e-Channelling Acquisition

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NDB Investment Bank (NDBIB) successfully advised Mobitel (Private) Limited in its recent acquisition of e-Channelling PLC. The transaction was announced on the floor of the Colombo Stock Exchange on September 5, 2016 and the acquisition was executed via a Voluntary Offer. NDBIB takes pride in having partnered Mobitel in its maiden acquisition and supporting the latter as it ventures in to value added services, particularly in the fast growing e-health space.

The controlling shareholder of e-Channelling, Senior Marketing System Asia Pte Ltd (SMSA), an entity based in Japan is one of the largest providers of healthcare information infrastructure in the region. SMSA entered into a Share Sale and Purchase Agreement undertaking to divest the entirety of its shareholding in e-Channelling amounting to 87.6% to Mobitel via the said Voluntary Offer. The Voluntary Offer was selected as the acquisition mechanism to cater to the needs of both Mobitel and SMSA whilst avoiding any negative impacts on the transaction arising from market volatilities.

This transaction comes hot on the heels of the Hela Clothing and Foundation Garments deal where NDBIB was involved in originating and conceptualising the entire transaction starting from connecting the two parties and highlighting the merits of a merger right up to deal structuring, negotiations and successful execution. Darshan Perera, CEO of NDBIB, commenting on the e-Channelling transaction, stated, "We at NDBIB see a lot of opportunities in the M&A space and have been actively seeking transactions where we provide a broad range of services. Our expertise revolves around identifying suitable targets and partners for clients, structuring the deal to meet the needs of both parties, liaising with external consultants to carry out due diligence and managing the negotiations to ensure our clients expectations are achieved".

NDBIB places utmost significance on maintaining strictest confidentiality and utmost professional standards to ensure that clients' interests in M&A transactions are well

protected. NDBIB's deal teams also ensure that all aspects of a transaction including the burden of coordinating with multiple due diligence partners are handled efficiently allowing the investors and target companies' management to continue focusing on business operations with minimum disruption. NDBIB's involvement in the e-Channelling transaction began when the idea of acquiring the target was still at its infancy and NDBIB was requested to carry out a valuation exploring multiple scenarios on the value creation to the investor. NDBIB also advised and assisted the client in identifying suitable external consultants to carry out legal, financial and tax due diligence whilst helping to structure the due diligence in a focused manner to address the key risks to the investor. Subsequently, the acquisition mechanism was decided in consultation with the legal advisors to the transaction, whilst NDBIB continued to provide additional services by liaising with external consultants carrying out due diligence and managing the Voluntary Offer process.

Commenting on NDBIB's success in the M&A sphere, Nilendra Weerasinghe, Head of Corporate Advisory stated, "We have made a conscious effort to add value to our clients not only by simply brokering a deal but creating tangible value with novel ideas, deal structures and techniques to enhance synergies and minimise transaction costs. We always strive to follow global best practices during the process with a view to enhance the probability of a successful outcome in an M&A transaction".

NDBIB is the investment banking subsidiary of NDB Capital Holdings, the largest full service investment banking group in the country holding a complementary business portfolio consisting of fee based and fund based investment banking, wealth management, managing private equity and stock broking. NDBIB has been awarded as "Sri Lanka's Best Investment Bank" for five consecutive years by Euromoney and is the market leader in debt, equity and M&A transactions.

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