BARCLAYS

Treasurer's Guide to M&A

Foreword

M&A is often judged by the moment a deal is announced or completed, but its true measure comes later: can the combined business create the value the transaction was intended to deliver?

That outcome depends on a multitude of factors throughout the deal lifecycle. For corporate treasurers, the work often begins before signing, as funding options are tested against the company's ambitions and constraints. It continues through the period between signing and close, when markets can move and timelines can shift. And it extends well beyond completion, as the new entity works to integrate systems, stabilise and eventually optimise operations.

Treasury has a critical role to play through that journey. It connects the strategic rationale for a deal with the financial and operational requirements needed to execute it. Those choices help determine whether a transaction can close, and how well the combined entity is positioned to deliver synergies.

In practice, those choices are rarely made with perfect information. Treasury teams may be brought in at different stages, often under strict confidentiality and with limited visibility into the target business. They are asked to make consequential judgements while assumptions are evolving and timelines are working against them. In those moments, a clear framework matters, and that framework is most valuable when it keeps the full lifecycle in view.

This guide is designed to help corporate treasurers navigate that complexity across the M&A lifecycle, from the earliest questions of structure and funding through to post-close integration. It brings together expertise from our Risk Solutions Group, Debt Capital Markets, International Corporate Banking and Transaction Banking teams, to give treasurers a holistic perspective on the choices that can shape execution and long-term value.

There is, of course, no single blueprint. Every company, transaction and market environment is different. But there are better questions, clearer frameworks and more disciplined ways to support long-term value creation. Our aim is to help treasury teams approach these moments with clarity, by helping frame the decisions that matter most.

Phil Bowkley,
Head of International Corporate Banking and Co-Head Global Treasury Coverage

Travis Barnes
Co-Head Global Treasury Coverage

Structuring the deal

How do you fund it – and what does that mean later?

M&A is fast-moving, complex and high-stakes for every company.

How a deal is structured and funded not only determines whether execution is successful, but also influences your company's post-close balance sheet flexibility and the range of strategic options available thereafter, including future transactions.

As a treasurer, your role is pivotal: to ensure deal funding is established and executed efficiently, aligned with the company's financial objectives, and resilient to changes in timing, markets or integration plans.

When as a Treasurer do you become involved in the process?

Treasury isn't always involved from day one. Confidentiality can mean that you are brought in late, after key commercial terms are already set.

You are likely to enter the process at one of three points:

Early stage
Shape strategy

Shaping structure and funding strategy. Focus on defining desired pro forma leverage, funding mix, and credit strategy.

Mid process
Stress test feasibility

Assessing feasibility and execution readiness. Focus on stress-testing assumptions and confirming deliverability ahead of execution.

Late stage
Execute

Managing execution risk under time pressure. Focus on securing funding certainty and ensuring the deal can close under all conditions.

REALITY CHECK

You don't need perfect information – but you do need a clear framework that allows you to focus quickly on the decisions that matter most at your entry point.

What does success look like at closing and beyond?

Before focusing on funding, define the desired end state.

This matters because you're not just financing a transaction – you are setting the balance sheet of the combined entity for the years that follow.

At closing, the deal completes and funding is secured. After closing, the balance sheet is robust and leverage evolves over time in line with stated objectives.

Credit strategy choices
A key part of defining your end state is choosing a clear credit strategy.

	Protect the rating	Accept rating pressure
Leverage	Lower	Higher
Funding mix	Less incremental debt	More incremental debt
Resilience	Greater	Potentially more reliance on deleveraging

Key questions to help define your end state:

- Is maintaining your existing credit rating a priority?
- What leverage level are you targeting on a go-forward basis post-close?
- Are you prepared to accept a downgrade, temporary or otherwise? If so, is there a plan to return to a higher rating?
- How much headroom do you need for future acquisitions?

REALITY CHECK

If the end state is not defined upfront, execution pressures can drive financing decisions at the expense of long-term objectives.

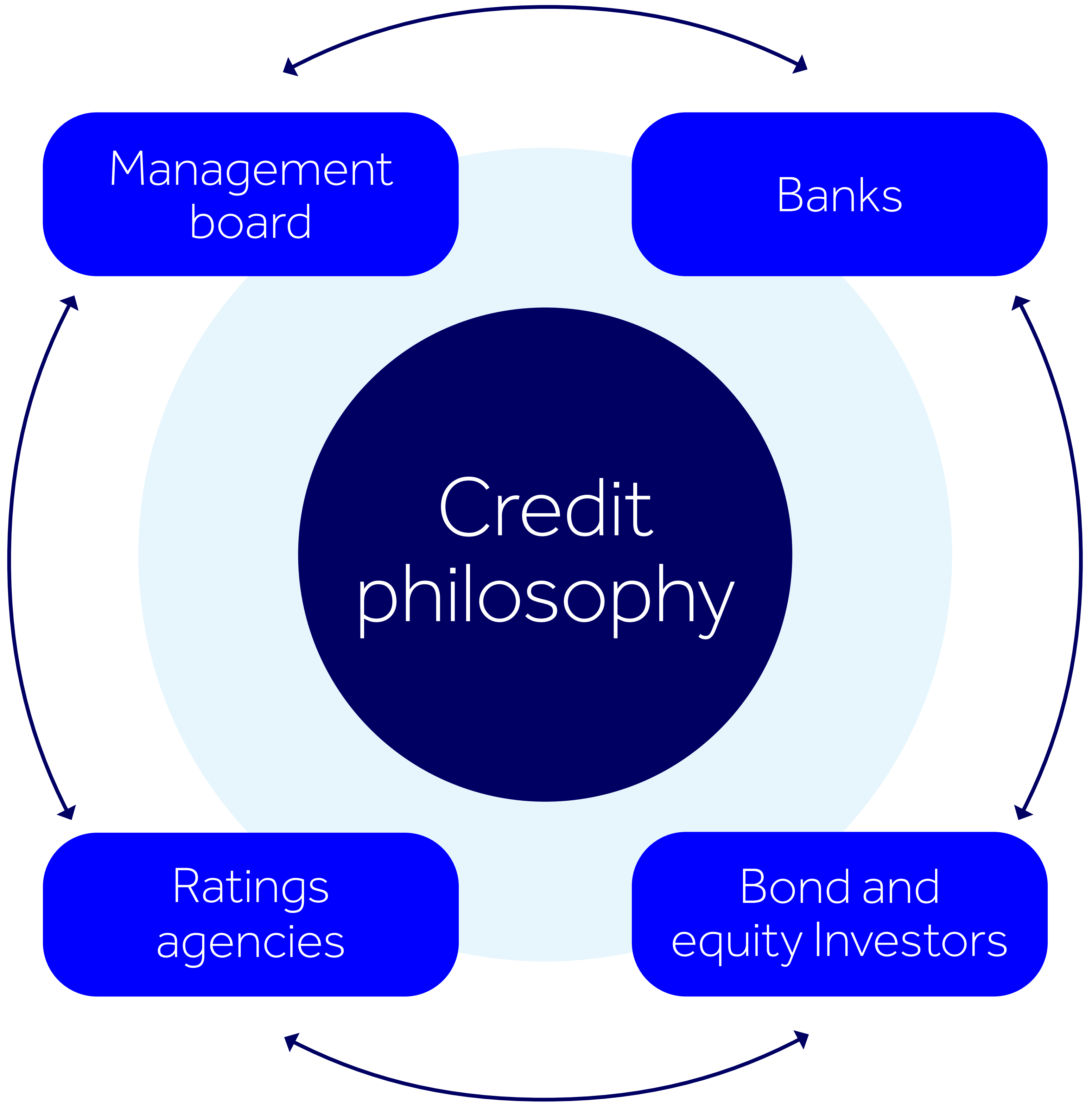
Do you have a clear credit philosophy?

Your credit strategy is one part of a broader credit philosophy that sets out your approach to leverage, liquidity, funding capacity, and credit ratings. It doesn't just impact Treasury – it defines how the company will operate and determines its future flexibility. It is therefore critical to multiple stakeholders. As treasurer you need to be able to communicate and defend your decisions.

A well-defined credit philosophy typically combines:

Quantitative considerations – such as leverage, coverage ratios, liquidity headroom and cash flow capacity.

Qualitative considerations – including tolerance for temporary deviation from stated credit metrics, the degree of conservatism adopted in managing the credit profile, and the credibility and discipline of any return-to-target approach.

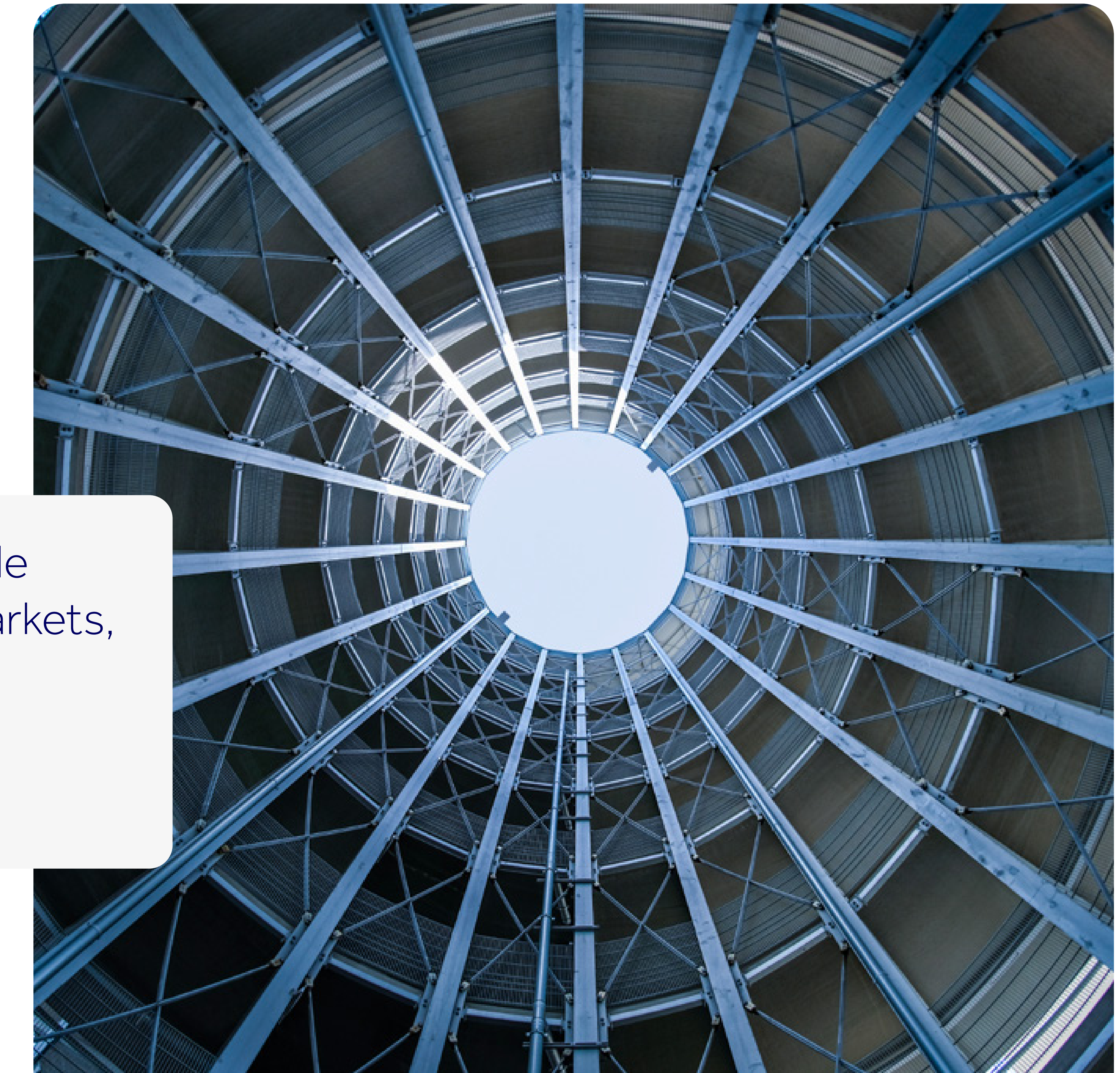


Do you have a clear credit philosophy?

Be ready to answer these key questions:

- If investment-grade, is our goal to remain investment-grade?
- Are we willing to move down the ratings spectrum for strategic reasons?
- If moving from previously stated targets, do we intend to return to those targets and over what timeframe?

For unrated companies, focus is typically on sustainable leverage, liquidity headroom and access to funding markets, rather than a specific external rating. Many unrated companies also consider the strategic importance of preserving optionality to become rated in the future.



REALITY CHECK

If you cannot articulate your credit philosophy, you cannot defend your capital structure.

You are managing two timelines – are both covered?

Every M&A deal has two distinct phases that need to be managed simultaneously.

Pre-close (announcement – closing)

- Do you have the resources to complete the deal?
- What happens if markets move or timing changes?

Post-close (integration – deleveraging)

- How quickly can you reduce leverage, if desired?
- Do you have the tools to delever?
- Are your cash flows sufficient and resilient?
- Do you have capacity for future strategic moves?

REALITY CHECK

A financing structure that works at closing could still create challenges in the months that follow if post-close objectives are not considered upfront.

How much debt can you actually take on?

Once your credit strategy is defined, understand how much leverage the business can sustain.

Low leverage | **High** leverage

Investment Grade → Rating Cliff → High Yield

What's your tolerance for incremental leverage?

Higher tolerance — Accept higher leverage to support strategic objectives

Low tolerance — Maintain ratios, protect rating

Start with core metrics:
Debt/EBITDA, interest coverage, free cash flow (after operating expenses and capital expenditure).

Then overlay:
Rating agency expectations, downgrade thresholds (e.g. BBB+ to BBB), acceptable volatility in credit metrics.

Rating agencies may be prepared to tolerate periods of elevated leverage following an acquisition, typically over 18-24 months, although only where there is a credible deleveraging plan.

What is the right funding mix?

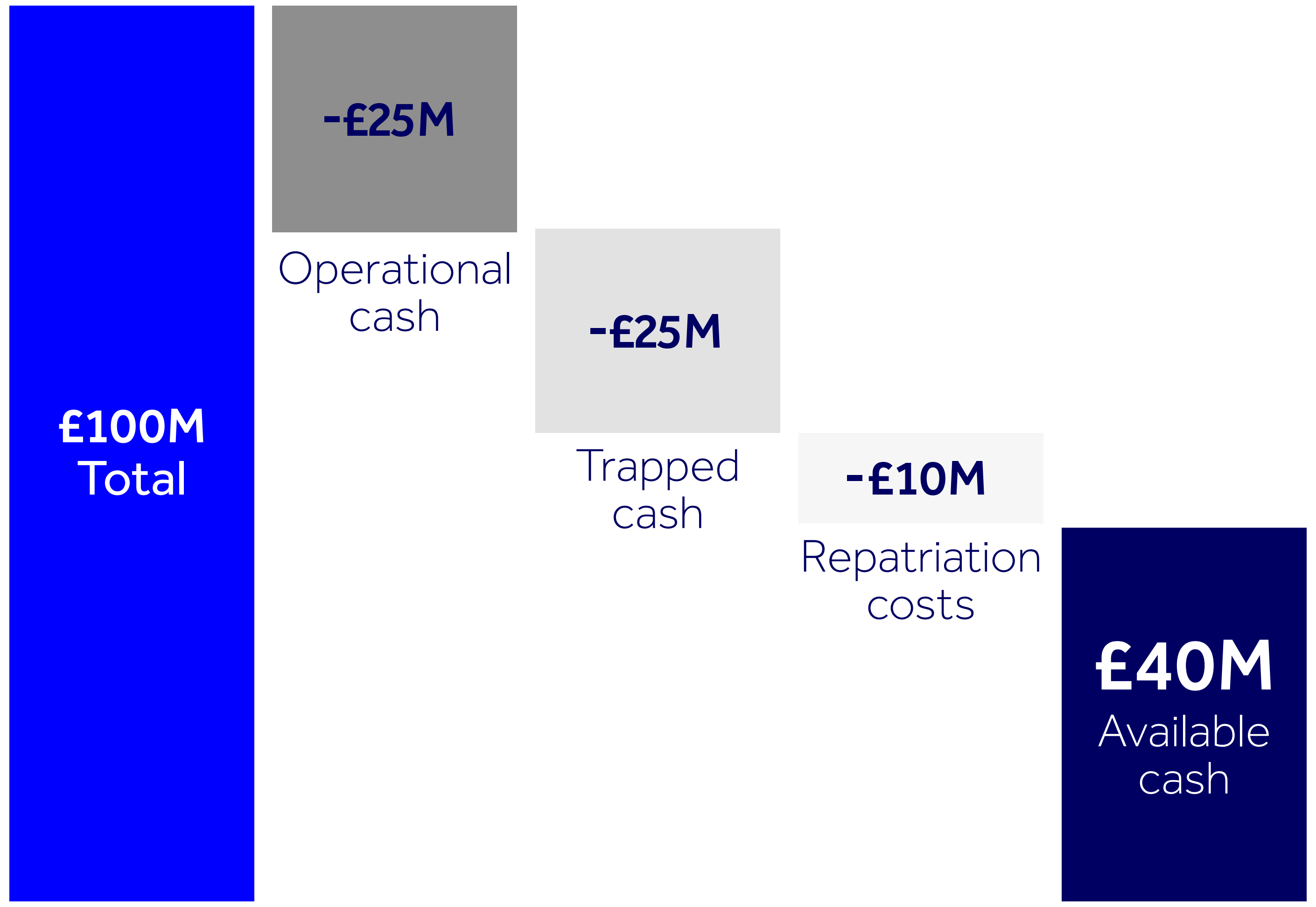
After establishing a clear understanding of your constraints, you are ready to determine the right mix of cash, debt and equity.

Financing type	Considerations
Cash	Immediate and flexible but may reduce liquidity buffers and may not always be freely deployable. Also consider what is required for operations.
Debt	Can be cost-efficient and extend funding capacity, but could increase leverage.
Equity	Supports balance-sheet strength and ratings, but may be dilutive, with considerations differing depending on whether equity is issued to the market or the seller.

How much of your cash is actually available?

Alongside leverage, liquidity is a crucial consideration when you're structuring M&A financing. Make a detailed assessment of both cash generation and cash needs – not only to service and repay debt, but also to fund operations, investment and shareholder returns.

However, understanding how much cash is actually available can be more complex than it seems.



Key questions to ask:

- How much cash is required for operations?
- Where is it located?
- Is it trapped or restricted due to regulatory or structural constraints?
- What are the tax and other costs of repatriation?

REALITY CHECK

Cash on the balance sheet is not always the same as cash you can actually deploy.

Practical actions

- Assess pro forma liquidity across both entities
- Review cash by jurisdiction
- Identify constraints early

To meet the costs of integration or increased working capital requirements, you may also need to:

- Increase your revolving credit facility
- Add a 364-day facility to support short-term liquidity

Do you have the tools to delever?

Increasing leverage as part of M&A is commonplace. Whether, how, and over what timeframe you subsequently delever depends on your stated credit objectives and financial policy. If deleveraging is part of the intended post-close strategy, it is important to understand the tools available and the degree of flexibility they provide.

Key questions:

- Do you have prepayable debt? (e.g. term loans, commercial paper, short dated callable notes)
- Are there any upcoming maturities of longer-term debt?
- Do you have sufficient free cash flow to support deleveraging on your desired timeline?

What should be in your deleveraging toolkit?

Deleveraging tool	Flexibility provided
Prepayable debt	Provides the ability to accelerate debt reduction ahead of contractual maturity through voluntary prepayments when excess cash is available.
Debt maturity profile	Provides opportunities to reduce leverage at near-term scheduled maturities by repaying maturing debt rather than refinancing it, including short-dated funding such as commercial paper.
Free cash flow generation	Provides internally generated cash that can be directed towards debt repayment over time.
Asset disposals	Generates proceeds that can be used to reduce debt through the sale of assets or businesses.

REALITY CHECK

If higher leverage is intended to be temporary, the ability to delever is important; without it, leverage can add risk rather than manage it.

Preparing for surprise

All M&A deals are prone to the discovery of last-minute issues or surprises. In practice, careful diligence is required, as features such as change of control provisions or embedded restrictions in asset-backed financings may trigger mandatory prepayment when ownership changes.

Where execution challenges can arise

Transaction-specific diligence surprises	• Previously unidentified liens or security interests • Change-of-control provisions in existing financing • Restrictions in asset-backed or structured finance
Timing and funding execution surprises	• Closing occurs earlier than expected • Market conditions weaken between announcement and closing • Committed financing is not in place and funding must be secured quickly

REALITY CHECK

Some of the most difficult challenges emerge late in the process, when time and options are limited. Planning for contingencies early can help you avoid complications at closing.

Do you have the right banking support?

M&A financing can expose shortcomings in existing banking relationships, but it can also open the door to new banking partners.

Bank alignment checklist

- [ ] Are your core relationship banks participating?
- [ ] Do they have sufficient balance sheet capacity?
- [ ] Do you need additional lenders?
- [ ] Are any of your banks advising the seller or competing bidders and therefore conflicted?
- [ ] Have you stress-tested syndication if a key bank steps back?
- [ ] Is your syndicate aligned with the scale and complexity of the combined entity?
- [ ] Are there gaps in geographic coverage or product capability?
- [ ] Is this an opportunity to rebalance or optimise your banking group?

REALITY CHECK

M&A financing can test the depth, capacity and execution capability of your banking group, and can ultimately reshape it.

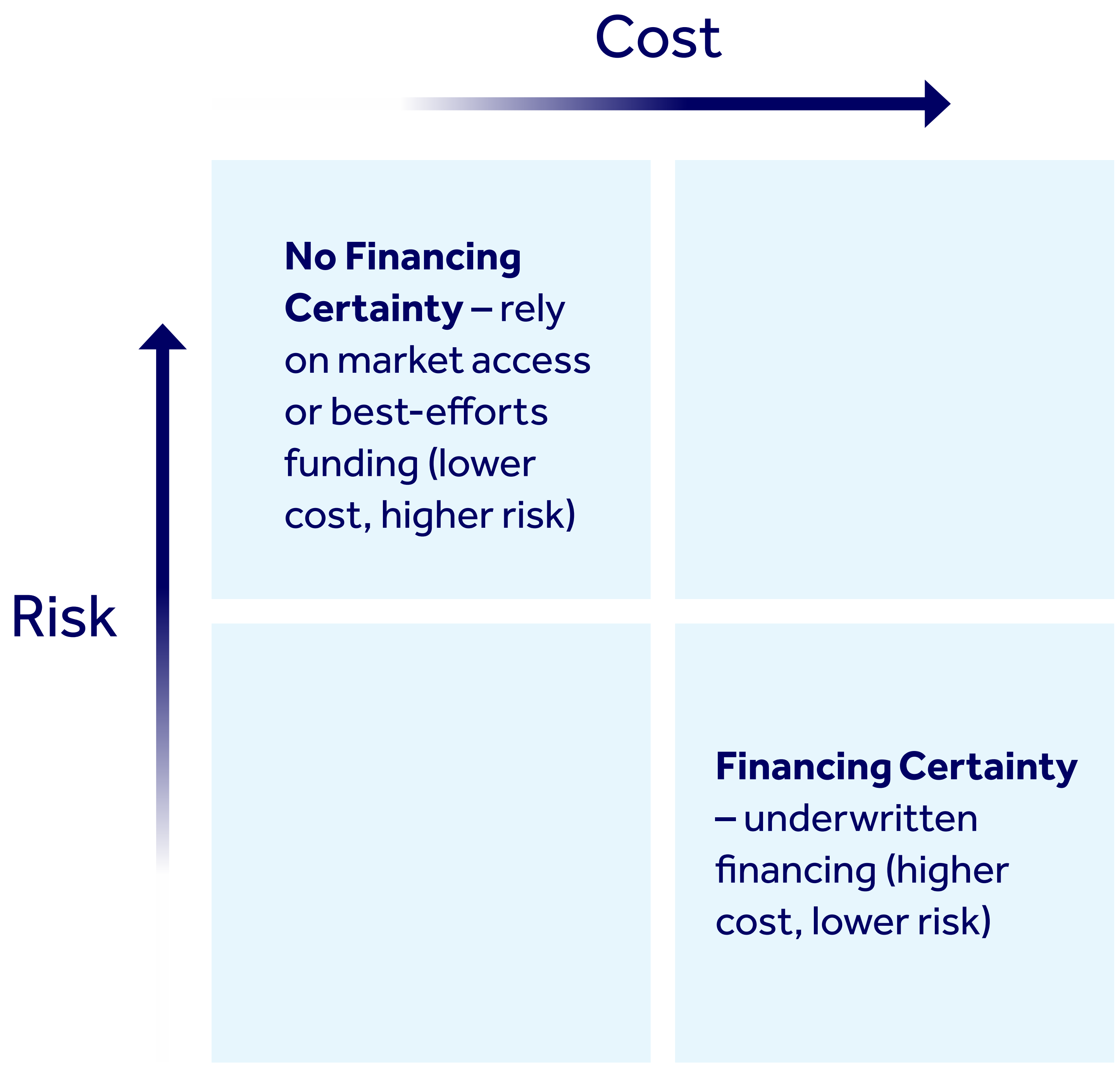
How do market conditions affect your strategy?

Market conditions can shift quickly and materially affect execution, but funding certainty is not only relevant in periods of volatility. The right financing strategy reflects deal size, timing, stakeholder expectations, jurisdictional requirements and risk tolerance, while retaining flexibility to adapt if conditions change.

How to finance your M&A

An important consideration is whether you pay for certainty at the time of transaction announcement or accept greater execution risk.

Determining the financing strategy is specific to each situation and can be impacted by several internal and external factors. In addition, you may consider risk management tools such as interest rate or foreign exchange hedging as part of the financing strategy. To make an informed decision, you need to balance expectations of market conditions against deal size, liquidity and credit profile.



Interim financing – decision process

Option to implement financing either pre-or post-announcement; for a large-scale target or competitive process, establishing committed financing pre-announcement may be appropriate.

Pre-announcement

Is Certainty of Financing Needed at Announcement?

Need to consider:

(i) size of financing requirement relative to existing liquidity;
(ii) comfort of key stakeholders (management, board rating agencies);
(iii) seller requirements;
(iv) acquisition dynamics (competitive vs negotiated);
(v) timeline to closing;
(vi) market conditions; and
(vii) jurisdictional/ regulatory requirements.

Path 1 → Yes

At announcement: Underwritten financing established ahead of announcement, typically in the form of a 364-day bridge facility

→ **Post-announcement:** **Syndication of Underwritten Financing**

Syndication launched immediately following announcement; messaging required around target capital structure and intended takeout strategy

→ **Closing:** **Expected**

Capital markets issuance ahead of closing; funding of bank market term loan (if part of permanent financing solution)

Path 2 → No

At announcement: No underwritten financing in place at announcement; existing resources sufficient or high level of confidence in ability to access the capital markets ahead of closing

→ **Post-announcement:** **Flexibility to Source Interim Financing**

Option to source lower-cost financing insurance post-announcement to support the transaction or address near-term liquidity needs

→ **Closing:** **If Unable to Pre-Fund in Capital Markets**

Requirements to fund interim facilities (if implemented), or utilise existing/alternate sources of liquidity

Post-announcement (both paths)

Can the Permanent Financing Plan Be Implemented Before Close?

Timing of implementation impacted by transaction timetable (regulatory or competition approvals), market conditions for bond issuance (to pre-fund or take out any interim financing), availability of financials (if required), navigating blackout windows etc.

What happens if timing changes?

The timetable of an M&A deal is usually set out when it is announced. But things often change. Delays – or acceleration – can arise from: regulatory approvals, shareholder votes, market conditions.

Key questions to stress test your thinking:

- Does your funding strategy still work if the deal is delayed and markets come under pressure?
- What happens if the deal closes faster than expected?
- How does your liquidity strategy hold up under various timetables?

REALITY CHECK

Both delays and acceleration in M&A closing timelines can introduce risk that needs to be managed.

Final checklist: Are you ready to proceed?

Before moving forward, take a step back to assess whether the key elements of your financing plan are in place. That means having a clear funding strategy, understanding the leverage and liquidity implications, anticipating potential market and timing constraints, and confirming that your banking relationships are aligned with the scale and complexity of the transaction.

Key questions you should be able to answer before moving forward:

- Do we know our target leverage and rating position?
- Is our funding mix aligned to that outcome?
- Have we established our interim vs permanent funding strategy?
- Do we understand all constraints (ours and the target's)?
- Is the liquidity we are counting on genuinely accessible?
- Can we close under stressed market conditions?
- If we plan to increase leverage, do we have a credible plan to delever?
- Do we have the right banking support?
- Do we have execution risks?
- Does the escrow of proceeds from acquisition financing or pre-funding other capital payments, and restricting use from general corporate purposes, provide greater financing execution certainty?
- Will there be a need to ringfence deal proceeds for regulatory, pre/post-closing or other deal-related risks?

Protecting the deal in motion

How to manage FX and rate risk

Where are your risks and do they matter?

The period between signing and closing is where M&A deals are most vulnerable. A transaction that looks robust at announcement, can see value eroded quickly by currency movements or shifts in interest rates. In some cases, that erosion is immaterial. In others, it can change the deal economics and undermine the strategic rationale.

Treasury's role is to make sure the deal stays on track. To do that, you need to fully understand and quantify the potential risks, make an informed judgement about whether – and how – to mitigate them, and then watch like a hawk until closing.

Before considering hedging, establish whether you have exposure to manage. Two common risks are interest rate risk, which arises when acquisition financing is required, and FX risk, which arises from a mismatch between sources and uses of funding.

Key questions:

- **Are financing costs still exposed to market movements?** Will changes in benchmark interest rates affect your cost of acquisition financing?
- **Is there a currency mismatch?** Are you funding the transaction in one currency and acquiring the business in another?
  - For FX exposure, the purchase price is only part of the picture. Exposure may also arise from liabilities being assumed or refinanced as part of the transaction, or from intercompany funding arrangements.

Understanding the exposure window

Timing matters. FX and rate risk do not follow the same timeline.

FX exposure often persists until completion, while interest rate exposure may crystallise earlier when financing is issued or benchmark rates are locked.

Deal window: 9-12 months

In both cases, the key window is often 9-12 months, but it can be shorter or longer depending on regulatory approvals, shareholder votes and deal complexity.

REALITY CHECK

You're not managing a single risk window, you need to keep track of multiple, overlapping exposures.

How much uncertainty can you tolerate?

There is no single 'correct' hedge ratio. Instead, hedge ratios are driven by:

- Deal size relative to the balance sheet
- Impact on leverage and credit metrics
- Proximity to rating thresholds
- Board or investor sensitivity to volatility

For some companies, the exposure may be immaterial or naturally offset by cash flows in the same currency. In those situations, accepting a degree of short-term volatility may be reasonable.

At the other end of the spectrum, a transformational deal – particularly for a more highly leveraged or lower-rated issuer – may justify hedging close to 100% of exposure. Most transactions, however, fall somewhere in between.

Your hedge ratio will be somewhere on a spectrum from no hedging to full protection.

Low materiality/ natural hedge

Small-deal, matched-currency cash flows

High materiality/ transformational deal

Leverage-sensitive, rating-constrained

REALITY CHECK

Hedging isn't about eliminating risk; it's about deciding how much variability you're comfortable with

How do you quantify the risk?

Once you understand your exposure, you need to measure its impact. This is typically done through scenario analysis.

What you should model

- FX movements (e.g. ±5% to ±10%)
- Changes in benchmark rates
- Impact on purchase price (home currency equivalent)
- Impact on leverage and credit metrics
- Impact on cost of debt

Some companies go further and align this analysis with how the deal was presented to the board. For example, by stress-testing against a target purchase price or a projected weighted average cost of debt.

REALITY CHECK

If you can't quantify the impact, you can't make an informed decision about hedging.

How do you manage FX risk?

Once exposure and tolerance are defined, you can choose how to manage it.

Not all corporates use contingent hedging. Some prefer to accept the risk of a 'dead deal' cost rather than pay the premium for protection. There is no 'best' instrument, only the one that fits your tolerance for cost, flexibility and deal uncertainty.

FX hedging tools

Instrument	What it gives you	What you give up	In practice
Forward	Certainty on exchange rate	No upside if markets move in your favour	Used when cost-efficiency certainty matters most
Option	Protection with upside participation	Upfront premium cost	Used when flexibility and upside participation are important
Deal-contingent hedge	Protection with no dead-deal cost	Higher cost than standard hedge	Used when there is some risk the deal may not complete. Can be structured for forwards or options and increasingly used by companies to ensure deal-related risks given reduction in cost relative to vanilla hedging tools

How do you manage interest rate risk?

The approach to rate risk is more standardised than FX risk.

You can typically hedge the benchmark rate, which may be US Treasuries, UK gilts or Euro swap rates in investment-grade markets, or floating-rate indices in loan transactions such as the syndicated loan market. Hedging your credit spread is more complex and expensive, making it more unusual in M&A deals.

Rate hedging is often more prevalent in acquisition financing than in business-as-usual refinancing, particularly where issuance size is large relative to the company.

The most common tools to manage interest rate risk and stabilise funding costs are:

- **Rate locks:** to fix benchmark rates ahead of fixed rate issuance
- **Interest rate swaps or collars:** to reduce exposure to variable interest rates in the future

REALITY CHECK

Don't try to second guess benchmark rate movements; your goal is to mitigate the potential risks.

How does deal uncertainty affect strategy?

Hedging decisions are closely linked to deal certainty. Uncertainty often stems from regulatory approvals, foreign direct investment reviews and shareholder votes, all of which can extend or compress timelines.

Every hedging decision involves a trade-off: certainty comes at a cost and flexibility introduces risk.

Some companies choose to 'self-insure' – accepting potential volatility to avoid paying premiums. Others prioritise certainty, particularly where the deal is large or strategically important.

REALITY CHECK

The less certain the deal, the more valuable flexibility becomes.

How does deal uncertainty affect strategy?

Start

How certain is the deal?	
High certainty	→ Lock in early (forwards, rate locks)
Moderate certainty	→ Balance protection and flexibility (options, staged hedging)
Low certainty	→ Prioritise flexibility (options, contingent hedging)

How material is the exposure?	
High materiality	→ Increase hedge ratio and timing discipline
Low materiality	→ Accept some variability (partial or no hedge)

Is timing stable?	
Stable	→ Lock in early
Uncertain	→ Stage hedging (layer over time)

Other factors to consider include regulatory approval risk, shareholder votes, potential deal structure changes, geopolitical and macroeconomic factors such as inflation and monetary policy shifts.

The role of escrow in M&A

While not a hedge in the traditional sense, escrow can complement your risk management toolkit and help support execution certainty.

Pre-close, escrow may be used to support break fees, manage regulatory outcomes, or ringfence capital to support execution transaction.

At completion and post-completion, escrow is commonly used to manage difficult-to-determine risks, purchase price adjustments, deferred consideration and longer-dated obligations.

By holding funds in a neutral account, escrow reduces counterparty risk and helps ensure that contractual obligations are met.

Readiness Checklist: Are you protecting the right risks?

Effective risk management is about understanding exposures, quantifying potential outcomes and making disciplined decisions that keep the transaction aligned with its strategic and financial objectives.

Risk management readiness checklist

- ☐ Have you identified all FX and rate exposures?
- ☐ Have you quantified their impact?
- ☐ Is your hedge ratio aligned with deal materiality?
- ☐ Are you using the right instruments for your objectives?
- ☐ Have you accounted for deal uncertainty?
- ☐ Is governance clear and aligned?
- ☐ Do you have a preferred escrow provider?
- ☐ Do you have a banking partner that can provide the solutions you need?

How to ensure internal alignment

By this stage, hedging should not be viewed as a standalone treasury decision. The nuances of deal structure, documentation and regulatory requirements mean decisions need to be aligned across corporate finance, legal, deal advisers, external counterparties and the board.

In some jurisdictions, regulatory frameworks also matter. For example, UK 'funds certain' requirements may influence how financing and hedging are structured.

At the same time, you should be clear on roles. Banks act as counterparties in hedging transactions, not advisers. They can discuss the various options and market practice, but responsibility for the decision is with the company.

Key questions for governance and co-ordination

- Are hedging decisions aligned with deal structure?
- Are assumptions consistent with board-approved metrics?
- Are legal and regulatory requirements reflected?
- Is there clarity on roles and responsibilities?
- Are counterparties and documentation aligned?

REALITY CHECK

If governance is unclear, execution risk increases regardless of your hedging strategy.

Stabilising and optimising

Take the combined business to the next level

Day one readiness

Closing an M&A is a huge milestone for the treasury team. But once the excitement fades, the real challenge begins. You may have up to a year of integration ahead of you, and those months will largely determine the success of the entire deal.

The focus must shift from structuring and protecting the deal, to making it work operationally, ensuring the business can access cash, make payments and operate without disruption.

Day one readiness

Your priorities at close are simple, but execution is not. At closing, treasury must establish:

Visibility of all cash positions including trapped or restricted balances

Control over accounts (including electronic banking access), signatories, mandates and payment authority

Operational funding to meet immediate obligation

Continuity across collections, payroll and supplier payments (including ACH, wires, direct debits and lockboxes)

Alignment with treasury policies, including FX processes, accounting rates and internal controls

Key questions on day one:

- **Visibility:** Where is your cash, and can you access it?
- **Control:** Who can move money, and under what authority?
- **Continuity:** Will payments, collections and payroll run without disruption?

REALITY CHECK

Day one is about stabilisation; optimisation comes later.

How much do you really know at closing?

Even with extensive preparation, gaps will exist. Data room constraints and confidentiality limit what can be shared pre-close. Even where both entities bank with the same institution, restrictions often apply. As a result, you typically enter day one with an incomplete picture.

The focus pre-close should therefore be on validating information and identifying likely pressure points, including:

- Bank exposure limits and counterparty concentrations
- Debt covenants and credit obligations
- Liquidity structures and trapped cash
- Intercompany flows and funding mechanisms
- Governance frameworks and authority structures

While you cannot execute everything before completion, you should be ready to act.

This includes:

- Preparing signatory lists and mandate changes
- Aligning authority frameworks and approval processes
- Co-ordinating with banking partners on documentation and execution
- Defining interim reporting and cash visibility processes
- Ensuring contingency liquidity is available

Documentation cannot be forward-dated, but it can be prepared and ready for instant execution.

REALITY CHECK

You will discover things on day one that you did not know at signing.

What can go wrong immediately after close?

The period right after closing is one of the highest operational risk points in the deal lifecycle.

During integration, treasury depends on a series of connected processes. Weaknesses in any one area can create disruption across the combined organisation.

Fraud risk	Attempts often increase during organisational change. During integration, fraud risk is particularly acute. Unclear authority structures and process gaps can create opportunities for unauthorised payments.
KYC and repapering	Ownership changes trigger documentation and onboarding requirements.
Trapped or restricted cash	Access may be limited by local regulations.
Broken payment processes	Gaps in approval flows or system connectivity.
Intercompany complexity	Differences in processes, currencies and legal structures.

What can go wrong immediately after close?

One of the first questions you should answer is: **Who can move money – and what are their limits?**

Control over cash, payment authority and account access should be established as early as possible.

REALITY CHECK

If control is unclear, risk increases – regardless of how strong your systems are.

Stabilise then optimise

There is often pressure to deliver synergies quickly. But early-stage integration should prioritise understanding over action. Account rationalisation is a good example. It may appear an obvious early win, but in practice it should only happen once you have full visibility of the combined environment.

What to do now vs later

Do now (stabilise)	• Establish cash visibility • Secure account access and signatories • Ensure payment continuity • Confirm funding mechanisms • Align core controls and policies
Do later (optimise)	• Rationalise bank accounts • Restructure liquidity (pooling, sweeps) • Renegotiate banking relationships • Consolidate systems and platforms

REALITY CHECK

Don't simplify things you don't understand yet.

How do you integrate systems and processes?

System integration is not a single decision; there are three broad approaches.

Impose: Integrate the target into your existing systems and processes

Adopt: Retain capabilities from the target that add value

Evolve: Build a combined target state, drawing on both organisations

In practice, most integrations are phased.

Immediate priority: Establish a single source of truth for cash positions, supported by centralised reporting and reconciliation.

Systems do not need to be fully integrated on day one, but treasury does need immediate visibility. Interim solutions are often required.

Over time, integration typically focuses on:

- Aligning accounts receivable and payable processes
- Standardising FX workflows and accounting treatments
- Consolidating enterprise resource planning (ERP) and treasury management systems (TMS)
- Harmonising reporting and reconciliation processes

REALITY CHECK

Full systems integration is a medium to long-term objective, not a day one requirement.

What operational workloads are often underestimated?

Integration is not just a systems exercise, it is also a documentation and compliance process.

Changes of ownership typically trigger: KYC refresh requirements, mandate updates and account repapering, local regulatory approvals.

These processes are often more time-consuming than expected, particularly in multi-jurisdictional environments. At the same time, you must continue to run business-as-usual operations across both entities.

REALITY CHECK

Integration doubles the workload before it delivers efficiencies.

Managing knowledge risk

Systems and structures can be mapped out and integrated. Institutional knowledge is harder to replace.

The acquired treasury team holds critical knowledge that does not exist in documentation, including account structures and banking relationships, local regulatory requirements, operational processes, and workarounds developed over time.

A key question is:

What knowledge sits with individuals rather than within the organisation?

Retaining and engaging this team during integration is therefore essential. Without a structured approach to knowledge transfer, critical information can be lost before systems and processes are fully understood.

REALITY CHECK

If you lose the knowledge, you increase the risk.

How do you build for future acquisitions?

Integration is an opportunity to build and refine a scalable operating model. For acquisitive companies, each transaction is an opportunity for you to refine that model.

Building a scalable model

Acquire → Integrate → Learn → Refine → Repeat

This model should evolve over time, incorporating lessons from previous integrations and adapting to new geographies, regulatory environments and business models.

The objective is not rigid standardisation, but scalable flexibility.

How do you measure success?

Success is not defined by how quickly systems are integrated. Outcomes are what matter.

A successful integration is one in which payments and collections continue without disruption, cash remains visible and accessible, controls and governance are maintained, fraud risk is contained, liquidity is optimised and synergies are realised.

Financial outcomes – such as improved funding efficiency, lower costs and optimised liquidity – are often more important than system milestones.

REALITY CHECK

Integration is successful when the deal delivers its intended value, not when systems are unified.

Executing the integration

Every integration is different. There's no single integration template to follow, but the principles are consistent:

- Prepare early, even with limited information
- Prioritise visibility, control and continuity
- Delay optimisation until you understand the full picture
- Integrate systems and processes in phases
- Build towards a scalable operating model

Done well, treasury integration does more than keep the business running; it ensures you can translate deal logic into operational reality.

The integration roadmap

Integration typically follows a structured progression:

Pre-signing/ pre-close	Signing to close	Day 1	Day 15-30	Day 30-90	Day 90 to 1 year	1 year+
Identification of risks; mapping the operating environment, capital structures and profit flows; documentation preparation; consideration of ISDA, FX and other agreements; planning liquidity, preparing mandates	Readying reporting and governance frameworks; assessment of internal hedging programmes, investments and pension arrangements	Ensuring payment continuity, activating controls, updating signatories, confirming funding mechanisms and establishing visibility	Implementing interim reporting and daily cash visibility (timing may vary depending on which connectivity solution, such as host-to-host or application programming interface, is utilised)	Defining target structures and aligning policies	Integrating liquidity models, account structures, intercompany flows and risk management approaches, including FX alignment and accounting standardisation	Completing systems integration and broader optimisation, including bank account rationalisation, liquidity structures (e.g. pooling and sweeps) and banking relationship optimisation

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