

€ TRAINING

Corporate & Financial Restructuring





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Introduction:

When a company needs restructuring - financial or operational - it does not mean it will do so. An erosion of Stakeholder value may occur for a variety of reasons, including Management interference. This program shows you how to do things right.

Corporate restructuring is defined as any fundamental change in a company's business or financial structure, designed to increase the company's value. Corporate restructuring is often divided into two parts: Financial restructuring or Operational restructuring. This seminar emphasizes the practical side of corporate restructuring in today's ever-challenging world. It focuses on the two objectives of the practical application

Course Objectives:

At the end of this course the participants will be able to:

- Understand the various form of restructuring
- Discuss the real difference between Corporate & Financial restructuring
- Recognize when to acquire VS divest an operating unit
- Learn how to value an entity or an entire firm
- Know when to Leverage vs. Deleverage
- Understand the risks & benefits of corporate & financial restructuring in today's challenging world.
- Understand the risks & rewards of leverage
- Calculate the value of the firm in the real world
- Understand the cost/benefit of a divestiture
- Enhance their knowledge with the use of the models
- Significantly increasing their Excel analysis skills

Targeted Audience:

- Top Management of the Corporates
- Finance Managers
- Finance Professionals
- Operations Professionals
- Persons who want to gain new knowledge and experience to improve their career

Course Outlines:

Unit 1: Introduction to Restructuring:

- Introduction to restructuring
- The Restructuring Framework
- Proactive - planning the restructure before it is needed
- Defensive - planning the restructure because it is needed
- Distress - planning the restructure when there is no choice
- Restructuring parties
- Creditors - what do they expect

- Shareholders- what do they hope for
- Employees- what do they wish for

Unit 2: The Why & How of Restructuring:

- The Why & How of it
- Why companies restructure
- How do companies successfully restructure in today's world?
- When is the right time to restructure
- The coordination and implementation of it all
- The checklist for success
- The "as is" value - what is the firm worth today
- What is the product/service mix to decide what to keep and what to divest?
- Strategic partner or merger - the difference brings what value
- Leverage - yes or no; pros & cons

Unit 3: Valuation in Restructuring:

- Valuation
- Which approach to use to be the most accurate
- Liquidation value
- Fire sale
- Orderly
- Asset-based methods
- Comparables - market-driven
- Free cash flows
- Free cash flow to the firm
- Free cash flow to equity
- Option-based

Unit 4: Leverage:

- Leveraging and deleveraging
- Leverage - yes or no; pros & cons
- Establishing required rates of return
- Adjusting the costs of debt and equity for leverage
- Leverage optimization through the capital structure Example
- Bond buybacks Example
- Leveraged Buy-Out LBO
- Going private - the costs vs. the benefits
- The rationale for high leverage
- Calculating your capacity for debt
- Excel model for decision

Unit 5: Divestitures:

- Why divest a business unit
- The rationale for divestiture vs. alternatives
- Divestiture vs. a spin-off
- Equity carve-outs
- Voluntary liquidations

- Excel model for decision