

€ TRAINING

Seminar: Distressed Debt in Private Equity



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Introduction

The goal of the course is to provide a full understanding of the principles of investing in distressed debt. The number of businesses that will default on their obligations and file for bankruptcy protection will considerably increase as businesses around the world experience economic challenges and rising interest rates. You will learn more about this process in this course, as well as how distressed debt investors contribute significantly to the turnaround of struggling companies.

Course Objectives

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

- List the main reasons for company financial difficulties.
- Describe the options a management team has in the event of default.
- Determine the key participants in a company bankruptcy, including investors, legal and financial counsel, operational consultants, management teams, agent banks, lenders, creditors' committees, and others.
- Value each tier of capital in a distressed company's capital stack, including the stock, debt with a first lien, additional secured debt, and unsecured debt.
- Describe the four main investing techniques for distressed debt: Trading, DIP Lending, Significant Influence, Control/Turnaround, and Influence

Targeted Audience

- Portfolio Directors
- Managers of sovereign wealth funds
- Financial executives in corporations
- Financial Analysts
- Insolvent Debt Analysts
- Restructuring Consultants

Course Outline

Unit 1: What is Corporate Distress ?

- various forms of corporate formation
- Capital Arrangements
- Financial Stress Warning Signs and Causes
- How to use the US bankruptcy system to your advantage
- Corporate Restructuring/Bankruptcy Pathways

Unit 2: The Corporate Distress/Restructuring Ecosystem

- Corporate Management: Their Mistakes
- Legal counsel
- Operational consultants, financial advisors
- Restructuring Consultants

- Credit Markets and the Cycle of Financial Distress

Unit 3: Hands-On Valuation Analysis

- The Lifecycle of an Insolvent Business
- Recovery Evaluation