



Corporate & Financial Restructuring



9 - 20 December 2024



Tbilisi (Georgia)

# Corporate & Financial Restructuring

course code: F2013 From: 9 - 20 December 2024 Venue: Tbilisi (Georgia) - course Fees: 6750 Euro

## Introduction

Just because a company needs restructuring -- financial or operational -- 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; either 1) Financial restructuring or 2) 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 through case studies, examples and Excel® models as well as discussions of alternatives. Main ideas explored include:

- What is restructuring & what are the alternatives
- When & why should you restructure vs. not
- How to calculate the "real" value of a firm both before & after a restructuring
- What is Leverage; when to use it and how best to finance it
- When to divest an operating unit & how to do it to optimize the remaining value

## Objectives

### On completion of this module delegates will be able to:

- Fully understand the various form of restructuring
- Discuss the real difference between Corporate & Financial restructuring
- Know when to acquire vs. divest an operating unit
- How to value an entity or an entire firm
- Know when to Leverage vs. Deleverage
- Learn to use a range of Excel models (provided)

## Training Methodology

The training comprises teaching sessions covering each topic area with the theory blended with practical application. Additionally, real world examples & case studies will be used so that the Delegates will be able to apply these techniques immediately. Delegates then use the provided Excel® templates to apply their new knowledge case studies to reinforce the concepts.

## Organizational Impact

### The organization will benefit by:

- Having Experts in-house to develop advanced decision support models
- Higher productivity of personnel involved in restructuring analysis
- Improved performance of corporate & financial restructuring methods
- Better ways to plan & measure results of decisions
- Realizing better options when facing divestiture choices
- Better integration between functional areas leading to better decisions

## Personal Impact

### The delegate will benefit by:

- Developing an improved understanding of the risks & benefits of corporate & financial restructuring in today's challenging world.
- Really understanding the risks & rewards of leverage
- Being able to calculate the value of the firm in the real world
- Understanding to cost/benefit of a divestiture
- Enhancing their knowledge with the use of the models in the case studies
- Significantly increasing their Excel® analysis skills

## SEMINAR OUTLINE

### 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
- Case study
- Excel model for decision

### The Why & How of Restructuring

- The Why & How of it
- Why companies really 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
- Example
- Case study
- Excel model for decision

## Valuation in Restructuring

- Valuation
- Which approach to use to be 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
- Case study
- Excel model for decision

## 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 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]
- Case study
- Excel model for decision

## Divestitures

- Divestitures
- Why divest a business unit
- The rationale for divestiture vs. alternatives
- Divestiture vs. a spin off
- Equity carve-outs
- Voluntary liquidations
- Case study
- Excel model for decision
- Summary and Conclusion