

# Corporate and Financial Restructuring

Paolo Fulghieri

## Objectives

Corporate and Financial Restructuring will give participants a perspective on the role of corporate and financial restructurings in a globalizing environment and the ability to identify the key impacts and sources of value creation.

## Key benefits

By attending this program, you will gain:

- Understanding of the global capital market as the driver of corporate restructuring activity
- Appreciation for the importance of financing structure on company value as well as share price
- Ability to identify and assess the sources of value creation in a restructuring event
- Awareness of the primary hurdles to restructuring in distress and methods/techniques to address these hurdles

## Who should attend?

Business professionals from companies or private equity firms involved in corporate restructurings, as well as advisors to such restructurings. While there will be a particular focus on the techniques used by Private Equity firms in managing their portfolio companies, these techniques should be equally relevant and interesting for those working in non-PE companies who are desiring to achieve higher levels of business performance through corporate and financial restructuring.

## Dates & Fees

June 25 – 27, 2012

€ 3,450



## Faculty

Paolo Fulghieri is Professor of Finance at the Kenan-Flagler Business School of the University of North Carolina, USA. Between 1995 and 2002 he taught Corporate Finance in the MBA and several Executive Education programs at INSEAD, France, where he has been Dean of the PhD Program.

"Challenging and thought provoking."

Senior Credit Analyst  
APG Asset Management  
The Netherlands

## Program Content

### Day 1

#### Overview of Corporate Financial Restructuring Techniques and Their Value Impact

Understanding Value Creation and the Role of Corporate and Financial Restructuring in Globalizing and Capital Markets-driven world

#### Restructuring the Business and Financing to Create Corporate Value

- The principles sources of value creation from corporate financial restructuring: Investments, acquisitions, financing, payback and risk management
- Managers' vs shareholders' vs lenders' interests: the agency problem

Restructuring Alternatives – Left-hand side of the balance sheet and Right-hand side of the balance sheet

#### Adding Value through Business Portfolio Restructuring: Acquisitions and Divestitures

- Mergers and acquisitions: when do they make sense?
- Acquisition analysis: the sources of acquisition value creation

Case study

### Day 2

#### Value Creation through Asset and Liability Restructurings - Focus on PE Techniques

##### Leveraged Buyouts: The PE Business Model

- Basic Economics of PE firms
- The LBO Market and investment performance
- What makes a business suitable for a buyout
- LBO entry, financial structure, refinancing and exit valuation

Group assignment: LBO cash flow and debt capacity analysis

##### Opportunity Cost of Capital, Leveraging and Deleveraging

- Establishing required rates of return
- Impact of leverage (or lack thereof) on the costs of debt and equity
- Corporate taxation and other drivers of capital structure

Case study

### Day 3

#### Value Creation through Buybacks and Distressed Restructuring

##### Equity Buybacks and Debt Buybacks

##### Financial Distress and Restructuring

##### Financial Distress caused by Economic Distress

##### Leveraged Buyouts Gone Wrong: Restructuring the Pricing and Terms

- Debt buybacks and the hurdles to distressed restructuring

Group exercise: Convertible preferred stock