

# MERGERS AND ACQUISITIONS (M&A)

## COURSE OVERVIEW

Offering an intensive introduction to the complex world of Mergers and Acquisitions (M&A), this course will form the foundation in strategy, regulation, finding a deal, corporate valuation, and more. You will learn about buyer strategies, how M&A can increase business value, and how to start the acquisition process, as well as identify successful acquisitions. The material identifies the types of corporations most likely to be M&A players and the types of corporations most likely to be M&A targets. Delegates will learn the approach, characteristics, and process for successful Sell-side and Buy-Side M&A transactions.

## TARGET COMPETENCIES

- M&A characteristics and organizational structures: Goals and investment objectives of various M&A investments
- Advantages, risks, expected returns, and costs of M&A activities
- The M&A process for both Buy-Side and Sell-Side transactions

## COURSE OBJECTIVES

By completely attending this course, participants will be able to:

- Compare and contrast build and buy strategies
- Describe the advantages and disadvantages of acquiring a public company
- Identify the main players in M&A transactions
- Recognize the common motivations for acquisitions and the reasons many are unsuccessful.
- Identify the methods of structuring a business acquisition.
- Evaluate the intrinsic and relative valuation methods for target companies.

## TARGET AUDIENCE

University students studying finance or accounting and looking to broaden the scope of their M&A background, Professionals looking to move into corporate finance, Finance professionals looking for a refresher, Anyone who wants to learn about corporate finance.

## NOTE

This course requires the use of laptops with Excel 2016/2019/365. Delegates must bring their own laptops with Windows-based Excel fully installed.

# **COURSE METHODOLOGY**

This introductory course primarily relies on lecture, class discussion, and Wiley's Investment Banking: Valuation, LBOs, and M&A textbook, although we also utilize in-class individual and group exercises to illustrate theory and practice relevant to financial decision-making regarding Mergers & Acquisitions. Class participants should bring a laptop to the course, preferably with Excel, and should have a basic familiarity with the workings of Excel software. Basic uses of Excel will be reviewed in class. A limited number of more advanced calculations will be explained in detail during the class.

## **COURSE OUTLINE**

### **OVERVIEW**

- Global M&A
- Emerging Market M&A Issues
- Who the key players in the capital markets are
- What the capital raising process looks like
- The Buyer's Viewpoint
- Three Ways M&A can Increase Value
- Buy vs. Build Synergies

### **CHARACTERISTICS AND PROCESS OF SELL-SIDE M&A**

- Organization and Preparation
  - Auctions
  - Auction Structure
  - Identify Seller Objectives and Determine Appropriate
  - Sale Process
  - Perform Sell-Side Advisor Due Diligence and Preliminary Valuation Analysis
  - Select Buyer Universe
  - Prepare Marketing Materials
  - Prepare Confidentiality Agreement
- First Round
  - Contact Prospective Buyers
  - Negotiate and Execute Confidentiality Agreement with Interested Parties
  - Distribute Confidential Information Memorandum and Initial Bid Procedures Letter
  - Prepare Management Presentation
  - Set up Data Room
  - Prepare Stapled Financing Package
  - Receive Initial Bids and Select Buyers to Proceed to Second Round
  - Valuation Perspectives—Strategic Buyers vs. Financial Sponsors
- Second Round
  - Conduct Management Presentations
  - Facilitate Site Visits
  - Provide Data Room Access
  - Distribute Final Bid Procedures Letter and Draft Definitive Agreement
- Receive Final Bids
  - Negotiations
  - Evaluate Final Bids
  - Negotiate with Preferred Buyer(s)
  - Select Winning Bidder
  - Render Fairness Opinion
  - Receive Board Approval and Execute Definitive Agreement
- Closing
  - Obtain Necessary Approvals
  - Shareholder Approval
  - Financing and Closing
  - Negotiated Sale

### **CHARACTERISTICS AND PROCESS OF BUY-SIDE M&A**

- Buyer Motivation
  - Synergies
  - Cost Synergies
  - Revenue Synergies
  - Acquisition Strategies
  - Horizontal Integration
  - Vertical Integration
  - Conglomeration
- Form of Financing
  - Cash on Hand
  - Debt Financing
  - Equity Financing
  - Debt vs. Equity Financing Summary—Acquirer Perspective
- Deal Structure
  - Stock Sale
  - Asset Sale
  - Stock Sales Treated as Asset Sales for Tax Purposes
- Buy-Side Valuation
  - Analysis at Various Prices
  - Contribution Analysis
  - Merger Consequences Analysis
  - Purchase Price Assumptions
  - Balance Sheet Effects
  - Accretion/(Dilution) Analysis

### **RISK CONSIDERATIONS FOR M&A**

- Risk vs. return analysis
- Due diligence and uncovering incorrectly valued and unrecorded assets and liabilities
- Conducting business through subsidiaries
- Contingent liabilities
- Turnaround candidates
- Operational vs. financial problems

To register or for complete course information

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