

Mergers, Acquisitions and Corporate Restructuring

Master in L&M 4E 2024/2025

Lecturer	Renato Inácio
E-mail	Renato.inacio@iseg.ulisboa.pt
Office Hours	Schedule to be defined following students' requests and at criteria of mutual convenience, MS Teams

Introduction

Dramatic events in M&A, takeovers, restructuring, and corporate control fill the headlines almost daily and have become public and corporate policy issues. Filling liquidity pockets, globalization trends and available sophisticated tools led the market to unstoppable deal records in search for quick and leveraged returns for financial and strategic players, as well as obtaining new competitive edges to capture improved operational and financial margins. What are the motivations behind these inorganic moves? Which key triggers are most valued by both sides and how are they evaluated? How to protect from hostile approaches and keep control over critical roles? Which stages should be taken before/after an M&A/restructuring process?

Goals

To provide students with an adequate understanding of Mergers, Acquisitions and Corporate Restructuring with a focus on core aspects such as the M&A process, target company valuation, due diligence, financing of M&A operations, accounting for M&A and tax aspects inherent in M&A / Restructuring processes. Students will develop critical analysis of key financial issues on M&A / Restructuring processes and understand the main opportunities and risks of the company's strategic, operational, and financial available options.

Main learning objectives:

- Global understanding of the process
- How to integrate multidisciplinary knowledge within a M&A or other restructuring complex process (such as strategy, valuation, taxation, legal and other aspects)
- Understanding reasons for success/failure of a deal
- Identifying and managing the tools and methodologies to properly assess the Target value
- Managing the M&A process, and structure a deal from a strategic and financial perspectives;
- Recognizing deal execution and post-integration main issues for a successful project.

Methods

The teaching methodology consists essentially of an expository lecture model and the case method, promoting student participation, namely in the critical comment of hypotheses put forward, to adapt the content of the discipline to concrete cases. The teaching approach combines lectures (with the presentation of the theory and real cases of the main concepts) with seminars (in which practical problems are discussed).

Through the analysis of real cases, the case method connects theory to practice. It also favors the development of managerial capacities such as analyzing business problems, balancing different perspectives, presenting viable solutions, and deriving power from conviction. Furthermore, as there is often no single solution to a problem, this system allows you to enrich yourself with multiple ideas, experiences, and points of view.

Lecturer

- Renato Inácio (ISEG / Universidade de Lisboa)
- Invited business partners with expertise and experience in specific fields of this course

Course Contents

- General Overview
- Full M&A framework
 - M&A Strategy / Planning stage
 - Deal Execution
 - › Valuation basic concepts
 - › Due Diligence Process / several points of view and risks to be identified in advance
 - › Financing structures for deal implementation
 - › Taxation issues
 - Post-Integration
- Forms of Restructuring
 - Divestitures, Spin-offs, Carve-Outs, Spin-Ups and Split-Offs
 - Bankruptcy Reorganization and Liquidation
- Corporate Governance matters
- Hot Topics in M&A Arbitration
 - General principles
 - MAC clauses and hardship clauses
 - Representations and Warranties
 - Quantification of damages

Assessment

- The students' assessment will comprise a working group assessment and a final exam.
- Grade = 15% (class participation) + 35% (Group assignment) + 50% (Final Exam)
- The working group assessment (mater subject to be disclosed soon) should be developed out of the class and executed by groups composed of 3-4 people (groups should be defined at the beginning of the classes). Subsequently to the submission, some groups might be selected for a meeting for presentation and discussion in the class.
- The final exam is compulsory and will cover the whole syllabus.

References

- DePamphilis, Donald., Mergers, acquisitions and other restructuring activities (9th Ed.), Elsevier, 2017
- Gaughan, Patrick A., Mergers, Acquisitions and Corporate Restructurings (7th Ed.), Wiley, 2017
- Robert F. Bruner, Applied Mergers and Acquisitions, , Wiley Finance , 2004
- Koller, T., M. Goedhart and D. Wessels (McKinsey & Company), Valuation: Measuring and managing the value of companies (7th Ed.), Wiley, 2020
- Ghemavat, Pankaj, Strategy and the Business Landscape (4th Ed.), 2017