

Corporate Restructuring

Role of Investment Banks

(Mandar Mitra)





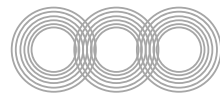
What is Corporate Restructuring?

Corporate restructuring involves significant changes to a company's operations, structure, or financial setup. It aims to enhance profitability, reduce risk, or adapt to market changes.



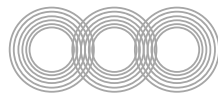
Navigating Troubled Waters

- **Financial Distress:** *Companies facing financial difficulties often require restructuring.*
- **Bankruptcy Risk:** *Managing insolvency and avoiding bankruptcy is crucial.*
- **Market Dynamics:** *Adapting to shifts in industry trends and competition.*



Investment Banks at the Helm

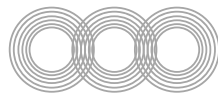
- Investment banks provide **financial advisory** services.
- They assist in **analyzing restructuring options** *and* **strategies**.
- Their *expertise* includes **mergers, acquisitions, divestitures, and capital raising**.



Crafting a Tailored Approach

- Investment banks **assess** a company's **financial health** *and objectives*.
- They **recommend** the **most suitable** *restructuring strategy*.

Examples: **Debt restructuring, asset sales, mergers, or spin-offs.**



Debt Restructuring

Tackling Debt Head-On

- Investment banks help companies **renegotiate** debt terms.
- This may involve **extending maturities, reducing interest rates, or principal reductions.**

Goal: *Alleviate financial strain and improve cash flow.*



Asset Sales and Divestitures

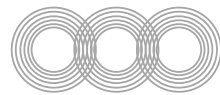
- Investment banks *facilitate* the **sale of non-core assets**.
- This *generates* cash and streamlines operations.
- *Enhances* focus on **core business** activities.



Mergers and Acquisitions

- Investment banks *identify* **potential merger or acquisition targets.**
- They *negotiate* **deals and structure transactions.**

Aims: *Achieve synergy, diversify, or strengthen market position.*



Capital Raising

Fueling Growth

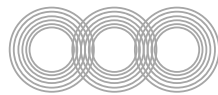
- When necessary, investment banks *assist* in **raising capital**.
- This can *involve* **equity offerings, debt issuance, or private placements**.
- Funds *support* restructuring initiatives.



Risk Management

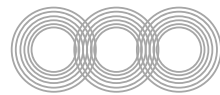
Navigating Choppy Waters!

- Investment banks *help manage* **risks** associated with restructuring.
- They provide **hedging strategies** *and* **advice**.
- *Minimize exposure* to market fluctuations.



Conclusion.

Investment banks bring expertise, resources, *and* creativity to corporate restructuring. They are *instrumental* in reshaping businesses, fostering growth, *and* navigating challenging times.



Keep Learning
&
Succeeding!

Mandar!



save for later —

