



Investing in assets and businesses impaired by COVID-19

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Foreword

The unforeseen, sudden and rapid outbreak of the COVID-19 pandemic has caught businesses by surprise. This outbreak has resulted in an economic environment where, right now, companies are primarily focused on the well-being of their people, making significant adjustments to their operating models and managing their cash flow.

Thinking ahead, we expect to see a high number of opportunities to invest in businesses and assets that will have been impaired to varying degrees by the ramifications of COVID-19. This type of investing will require a different approach to the investment thesis, the diligence requirements and the way an organization gears itself to invest.

In this paper, EY teams have outlined the key considerations for making these investment decisions, along with the approach and guidelines for due diligence requirements.



Andrew Wollaston
EY Global TAS PE, Reshaping Results
and Restructuring Leader



Brian Salsberg
EY Global Buy and Integrate Leader



Introduction

The rapid spread of the “COVID-19” pandemic has evolved from a regional health issue to a worldwide crisis, and the threats posed by the outbreak are not stopping. Countries have imposed travel bans and millions of people are in quarantine. Businesses are dealing with significant levels of lost revenue and disrupted supply chains, while having to meet high levels of financial commitments. The disruption to global supply chains, because of factory shutdowns, has already exposed the vulnerabilities of many organizations. The outbreak has also resulted in significant volatility in the financial and commodities markets worldwide. There are already signs that the virus has significantly impacted the world economy and the total impact assessment is a constantly moving exercise.

While the pandemic continues to spread, the world is undergoing massive adjustments to react to this outbreak. The outcome is unpredictable, and the conditions are still fluid and volatile.

In recent weeks, we have observed incredible efforts to combat the COVID-19 pandemic:

- ▶ Medically through the response of health care professionals
- ▶ Scientifically through the efforts being made to counter the virus
- ▶ Politically through the efforts to delay, contain, research and mitigate

The initial wave of regulatory activity, which focused on operations and continuity of services, is now being followed by initiatives from governments and central banks to:

- ▶ Support the markets
- ▶ Provide liquidity and stimulus to the economy

The stimulus measures that have been announced are simply incredible – they are wartime in nature and scale, and show significant innovation on the part of governments. However, the process of inputting this stimulus into the real economy is currently unclear.

As part of any capital contingency plan, companies will likely explore alternative capital options, which could include private placements, divestments, carve-outs, with subsequent sales of business lines or capital-accretive acquisitions (bad-will or negative goodwill deals). The likelihood that the number of impaired or distressed assets and businesses available for acquisition will rise is nearly certain. However, it is less certain whether potential acquirers will turn them into successful investments. What matters is valuing, negotiating and acquiring such assets and businesses, as it is a complicated, high-pressure initiative filled with layers of potential risks. Once acquired, their turnaround is itself a complex endeavor.

Organizations most likely to prosper in the coming impaired asset-rich environment will be informed and prepared. A prospective buyer must fathom the complicated acquisition process as well as the agenda of each stakeholder involved. A successful acquirer will also need clearly defined investment objectives, confidence in its valuation processes and an understanding of differing potential acquisition strategies. In addition to this, the acquirer will need to move fast and maintain sufficient management resources to make it all work. So, though opportunities abound, impaired or distressed asset acquisitions are neither for the uninformed nor for the risk-averse buyer. Considering a medical solution to COVID-19 is going to take some time, the majority of buy side opportunities are going to involve an element of asset distress and therefore organizations will be expected to understand how to participate and succeed.

No guarantees of success

Executed competently, impaired or distressed asset acquisitions can be an effective deployment of capital for corporations, private equity firms, hedge funds and other investors. Such acquisitions might provide buyers with large assets, such as equipment or technology, revenue streams, or even a new geographic customer base. Mid-sized businesses might be able to buy smaller companies whose challenges stem from a lack of scale, enabling the acquirer to expand its volume and geographic footprint. Often, companies acquire impaired or distressed assets as a means of securing access to technologies or other elements within a supply chain. Alternatively, a company might acquire an impaired or distressed asset simply as a defensive measure to prevent capabilities, capacity, technology or other advantages from falling into the hands of a competitor.

In an ideal transaction, quality assets would be acquired with minimal capital expenditure. They would blend perfectly with the acquirer's business model, integrate seamlessly with operations, and extend scale and efficiency, generating above-average returns for decades.

But almost by definition, impaired or distressed asset acquisitions are rarely ideal. The potential challenges associated with such purchases are many, each potentially threatening the buyer's return on investment (ROI). Moreover, these transactions tend to take place in compressed time frames, adding greatly to the risks of:

- ▶ Overlooking less obvious liabilities
- ▶ Overpaying or underestimating the effort needed to:
 - ▶ Turnaround operations
 - ▶ Meld new and existing businesses
 - ▶ Re-motivate potential underutilized capacity
- ▶ Generating new revenue streams or retaining existing customers

Potential opportunities of buying impaired or distressed assets

- ▶ Growing market share, expanding geographic or product footprint, and generating new revenue streams.
- ▶ Ability to void loss making contracts as a result of COVID-19 and counterparty inability to perform.
- ▶ Above average returns on deeply discounted assets.
- ▶ Impaired or distressed assets often feature significant levels of embedded debt financing, which is more valuable in a tight credit market.
- ▶ Impaired asset acquisitions can be a defensive measure, preventing sales, market share or proprietary technology or processes from falling into competitors' hands.
- ▶ "Rescued" employees at underperforming companies can become highly motivated.

Potential challenges of buying impaired or distressed assets

- ▶ Lack of familiarity with impaired assets and market outlook could cause the acquirer to overpay.
- ▶ Lack of experience in integrating impaired or distressed assets can lead to costly delays or chronic underperformance.
- ▶ Inexperienced buyers could unwittingly take on an array of off-balance sheet liabilities, ranging from product warranty issues to unfunded pension obligations.
- ▶ Potentially stressed supply chains may need redesign and significant investment to meet any new normal arising from COVID-19.
- ▶ Valuation, due diligence and closely related processes must be adjusted to reflect the nuance of market conditions.
- ▶ Slow-moving decision-making processes confer an advantage to faster-moving competitors.
- ▶ Tax exposures may be significant, particularly where tax-driven and highly leveraged structures are involved.



Hidden risks and dangers

Due diligence in an impaired or distressed asset context requires careful evaluation of related risks, but, in particular, an intensive focus on identifying hidden (often off-balance sheet) liabilities. For example, when buying assets from bankrupt estates, the assets are often transferred with no warranties or indemnities of any kind. This potentially damages legacy issues including: underfunded pension liabilities, employment contracts, termination agreements, warranties, off-balance-sheet product liabilities, regulatory issues and breach of contract claims.

In the current environment with both supply- and demand-side challenges for many businesses, an equal focus on the quality and recoverability of assets will also be needed. Many businesses are being requested to provide or are offering various forms of forbearance or discounts to their customers. Others are also seeing wide-ranging cancellations of previously secured order books. Understanding and evaluating external impacts against management actions will, therefore, be critical.

All this raises the bar regarding the need for thorough due diligence. Discerning the potential value of an asset requires a forensic approach to understanding hidden liabilities as well as their origins. Would-be buyers must also be able to assess whether they can reconfigure and redeploy the target's assets to generate meaningful returns. The likelihood of success will depend on a handful of factors, including the negotiated acquisition price, the speed at which the assets can be integrated and are expected to perform in a market that is recovering from the COVID-19 crisis. The information gained will help a potential buyer negotiate more effectively, and possibly avoid some of the previously mentioned challenges and missteps.

Potential impaired or distressed asset buyers need both financial and management resources. Distressed assets carry a higher risk than traditional assets, so the expected return on capital should be greater than it would be for less-risky investments. A relatively higher expected return on capital is further justified by the fact that these transactions tend to consume significantly greater management time than the acquisition of more traditional assets.

Buyers should also be ready to commit cash, paper or equity. Cash, welcome in any transaction climate, is even more valuable in the current period of uncertainty. Less credit availability tends to mean fewer competing bidders. So those with cash, paper or equity, or both, will likely occupy a strong negotiating position.

This is not to say that the use of credit is completely out of reach. Impaired or distressed assets do, in fact, frequently produce unexpected embedded credit financing from sellers looking to help facilitate a deal. In most cases, distressed assets are controlled by creditors, often banks or other lenders, or in a post COVID-19 environment, central banks and governments. Working with these creditors, buyers can assume existing liabilities in the form of new loans. Embedded financing commonly enables a leverage ratio more than 50%. In other words, despite tight credit markets, these assets present an opportunity to leverage investment capital.

Some common potential liabilities

Potentially damaging distressed asset legacy issues to watch out for:

- ▶ **Underfunded pension liabilities:** Companies under duress for some time have likely been skimping in other areas, such as providing for future liabilities.
- ▶ **Extended payables or avoided spend:** In distressed situations, companies focus on conserving cash and may defer payments coming due or avoid planned and needed capital expenditures.
- ▶ **Extended employment contracts and termination agreements:** Substantial employee payments may be triggered by acquisition, termination or similar events.
- ▶ **Enforceable warranty risks:** In the run-up to distress, the company may have compromised quality. A purchaser should explore possible buyer- or client-warranty issues faced by the target.
- ▶ **Product liability or regulatory issues:** Due diligence should include a close look at facilities, supply chains and products in the marketplace, with special attention to regulated substances, hazardous materials, recalls of related products, or even violations of trade or operational regulations.
- ▶ **Breach of contract claims:** A distressed organization may have slighted the terms of contract with suppliers or customers. A buyer must consider how faithfully contractual duties have been adhered to and what penalties or damages could be in the offing.
- ▶ **Tax exposures:** The sale or any pre-sale reorganization could trigger tax liabilities that transfer to the purchaser.
- ▶ **Restart costs:** If operations paused due to social distancing requirements, there may be substantial cash costs to restart.
- ▶ **Sales returns:** In times of distress, companies may experience elevated returns and refunds.

Role of the state

Across the globe governments, central banks and regulators have announced an unprecedented package of mechanisms to support both people and businesses through the crisis. These mechanisms are wide-ranging in their nature and implementation, and continue to evolve week by week.

These mechanisms provide further opportunities and challenges for impaired or distressed assets and will require a thorough understanding on a country-by-country basis. Businesses will need to consider the extent to which such facilities have already been utilized, the potential changes available as a consequence of a transaction, and the implications and impacts of unwinding these in the future. Acquirers may also be able to gain access to facilities not available to the target, which may significantly improve the attractiveness of the asset.

Know the past, but look to the future

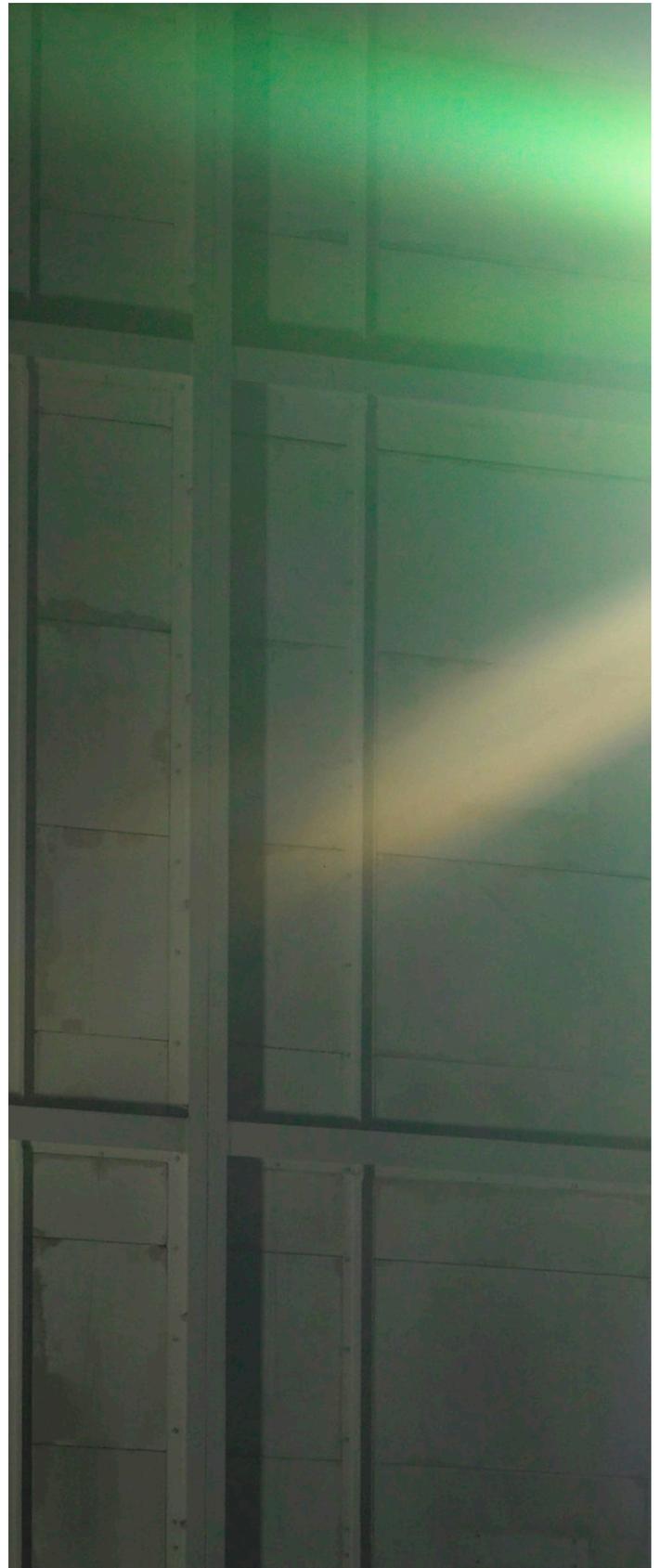
Valuing distressed assets can be especially challenging. Often, there are few comparables.

In performing valuation and due diligence, organizations should be keenly aware of the importance of not limiting their analysis to only backward-looking historical data supplied by the seller, trying to plot trends in sales, costs or earnings before interest, taxes, depreciation and amortization (EBITDA). Acquirers need to plot future returns for any distressed asset based on a brand-new set of forward-looking criteria.

For most sectors, COVID-19 presents a set of unprecedented market and demand challenges. While previous downturns offer some insights (regarding market dynamics, competitive behavior as well as the speed and path of recovery), determining the market outlook, any post-recovery changes in conditions and the achievability of forecasts, in the current context, is especially difficult.

With historical downturns offering some, albeit partial, information, commercial due diligence may leverage primary research to focus on expected changes to customer and counterparty behavior (e.g., future buying patterns, supplier business plans), and the timing of these changes (over the next 6 to 18 months).

In short, valuation and associated due diligence should focus on the new owner's operating metrics as applied to the expected future deployment of the acquired asset under the expected market environment, during and post the COVID-19 crisis. Valuation should also include any tax liabilities inherent in the acquisition and consider the expected tax structure going forward.



Structuring the acquisition

There are many ways to acquire distressed assets. For a typical corporation, the most common approaches are to buy the asset outright, or to acquire the asset or discrete assets within a bankruptcy process.

For example, the analysis could show that a corporate entity has numerous legacy liabilities such as those above (see the section on "Some common potential liabilities"). Here, an acquirer might determine that rather than buying the entire legal entity, it makes more sense to purchase through an insolvency process. In this way, the acquirer may structure the sale and purchase in order to separate the asset from certain liabilities and leave the latter with the bankrupt estate.

Other structuring techniques involve purchasing operating companies and leaving behind entities that hold the financing arrangements. Even if an acquirer has the option to leave certain operating liabilities behind, it may choose to honor these liabilities (for example, an equipment lease). In some cases, the failure to make things right with suppliers, customers or others will result in the loss of goodwill. In such instances, the buyer will likely wish to retain such liabilities, factoring the accompanying cost to restore in negotiations and bidding.

Potential legacy issues are by no means the only factor to consider when contemplating a purchase of just discrete assets or an entire corporate entity. Other factors may also come into play. For example, the tax implications of an asset purchase vs. a share deal may differ significantly and, therefore, impact the total purchase price. So, buyers need to weigh the positives and negatives of the broader transaction before deciding which approach makes the most sense. Should a buyer prefer to acquire unencumbered assets as opposed to entire companies, various jurisdictions have enabling processes. For example, companies operating in the US may be familiar with the acquisition of distressed assets under Section 363 of the U.S. Bankruptcy Code.

Structuring techniques also include the ability to move companies into jurisdictions where restructurings can be implemented more efficiently. For example, in Europe, it is possible to move the Centre of Main Interest (COMI) of a corporate to the UK and restructure finance creditors using a pre-packaged administration. The underlying operating entities are left unaffected by this restructuring which can be achieved in a matter of weeks.

The impaired or distressed investing equation

The risk or reward factors that will help determine whether an impaired or distressed asset will be successful are listed below:

- ▶ **Price:** Just because an asset is inexpensive does not mean it is a bargain.
- ▶ **Complexity:** Most impaired or distressed asset acquisitions are complex. Complexity helps those that are well-prepared and experienced as it will deter less-prepared competitors. Complexity also helps pave the way for lower acquisition price.
- ▶ **Imperfect information:** Working with experienced advisors, acquirers can turn this risk into an opportunity. Imperfect information can aid lower price justification in the negotiation process. It also deters other bidders.
- ▶ **Speed:** Companies whose governance enables fast action will have a competitive advantage over others whose decision-making process is more protracted.
- ▶ **Leverage:** Existing leverage may often be rolled as senior lenders recognize it may be the only way to attract new equity capital and deliver the transaction.
- ▶ **Operational fix:** Acquirers need to understand the challenges to be addressed before the assets can become productive and generate returns. Commercial and operational due diligence carries elevated importance in a distressed situation. Acquirers need to have clear, detailed plans in place to integrate post acquisition.
- ▶ **Exit:** Any buyer (commercial or Private Equity house) needs to have clearly defined objectives, including an end game for the investment.

Moving forward with caution and confidence

Other means of participation

There are many additional means of participating in the upside potential of impaired or distressed assets or businesses. Not all are applicable in every circumstance, nor will all be appropriate for all organizations. Nonetheless, these strategies should be understood by all participants if only to have a better appreciation of the broader playing field and potential competitors for the asset. Additional approaches include:

- ▶ **Buying the option:** This involves gaining control of an asset by purchasing shares at a relative discount. Using this method, the buyer can either support the company (believing a turnaround is possible) or restructure it through a bankruptcy.
- ▶ **Loan-to-own:** In this approach, the buyer gains control of the asset through buying into the debt structure, where the value breaks, forcing a financial restructuring via a debt for equity swap.
- ▶ **Par recovery or flow trading:** In these two trading strategies, an investor buys into the debt of the distressed organization with the hopes of profiting from an improvement in the underlying credit conditions.

These strategies are often used by professional investors and hedge funds that desire to take a portfolio approach to invest in impaired or distressed assets. By purchasing the debt or equity shares of a range of attractive impaired or distressed assets, these investors will have the benefit of optionality and blended returns, in order to meet their required hurdle rates. Corporations may find it beneficial to partner with such specialist organizations or investors, and use their financial expertise and, in some cases, capital to acquire target businesses and assets through the purchase of debt.

The role of tax

The tax aspects of an impaired or distressed asset transaction should be evaluated rigorously. Potential synergies can be a source of significant value. But at the same time, the failure to understand the tax issues can be a source of added operating cost, investment risk and lower return.

Adjustments in the structuring of a transaction can profoundly alter its tax characteristics. Subtle and sometimes not so subtle, adjustments in deal structure can impact everything from the all-in cost of financing to the realization of gains or losses. Similarly, there may be opportunities to alter the deal structure as a means of optimizing operational cash flows, perhaps in the minimization of value-added tax (VAT), customs duties or other ongoing expenses.

Recognize also that underperforming businesses and assets may represent an opportunity to renegotiate tax terms with relevant tax authorities. A regional or national tax body will, in many cases, be willing to adjust its policies if it means the difference between an ongoing vs. a failed operating entity within its borders.

In general, the tax issues associated with impaired or distressed asset deals are both complex and highly material. As such, companies need to involve tax expertise early on in order to evaluate such intricacies and inform and enrich related decision-making processes.

Harnessing human capital

For acquirers with the right skills and mindset, impaired assets often hold another potential source of value: the workforce. Employers are currently dealing with unprecedented levels of changes to their employees' ways of working because of containment and social restrictions, including, for many, the furloughing of staff and the cessation of operations. This is enhanced by the cloud of uncertainty around the timing of when these restrictions may be lifted allowing the workforce to return to the "new normal".

A compelling business plan from an acquirer can lead to a tremendous bounce in energy, focus and performance. Inspiring the employees and channeling their energy productively represents added value waiting to be unlocked for a buyer who recognizes and leverages that potential. Skilled acquirers in the distressed arena understand this dynamic and use it to accelerate and enhance the integration and performance of the new assets. In essence, value can be created by deploying the human capital more effectively than the previous management team.



Be fast or be gone

Perhaps, the greatest challenge in the complicated, high-pressure effort to secure impaired assets is the need for speed. When the failure becomes evident, key stakeholders, such as lenders and bondholders, move with great haste to protect their capital.

Also, the speed of such transactions poses additional challenges for those thinking of straying beyond their core competence. The allure of low acquisition prices may tempt buyers to deploy their capital in an entirely new field. While there is nothing inherently wrong with such an expansion, the fast pace of impaired asset divestiture places bidders from outside a given industry at

a disadvantage. Unfamiliarity with the business or industry complicates and therefore slows the due diligence process, conferring an advantage to industry insiders. Perhaps worse, a bidder from outside a given industry may feel pressured to cut corners. Moving too fast in an unfamiliar territory may yield costly mistakes.

No would-be buyer should even consider the distressed asset arena unless their organization is capable of moving swiftly and confidently. Organizations uncomfortable or inexperienced with lightning-fast deal making will likely find their efforts wasted as prized assets fall to swifter rivals.



Organizing for distressed acquisitions

Once a buyer weighs the benefits and opportunities against the potential challenges and risks, it can more readily assess how to move ahead to prepare for such an acquisition. An immediate realization is that any company or private equity house serious about playing in the impaired asset space will need to develop processes and governance that are supportive of all that is required.

Vital to this will be a board-level and senior management team that understands the goals and objectives of the acquisition. Moreover, the organization must be confident that it can capably manage both the risks and the opportunities. The unique processes and compressed time frames needed exacerbate the wide range of risks associated with impaired assets. Heightened opportunities, of course, go hand in hand with greater risk.

To take advantage of those opportunities means preparing in advance to be able to:

- ▶ Pinpoint appropriate targets
- ▶ Understand the components of value
- ▶ Access most relevant industry expertise
- ▶ Have appropriate advisors
- ▶ Move forward with a due diligence process that highlights the most relevant variables, including those considered to be historic as well as those that are forward-looking

Unlike previous downturns, organizations will also need to be prepared to complete the process on an entirely remote basis, given the current restrictions and possibility of reimplementing them once lifted. The organization must be willing to move forward on the basis of solid, but rarely perfect intelligence. If the culture is one that insists on reviewing and rereviewing data to determine its soundness, the impaired or distressed marketplace might be the wrong place to focus.

Once an organization is committed to the pursuit of a target, there are a range of steps that can enhance the associated processes. Consider the speed required to execute deals. Although companies tend to fail rapidly and in spectacular fashion, there are often tell-tale signs of coming failure prior to collapse. To the extent a would-be acquirer can improve its tracking and early warning systems, it can begin due diligence prior to formal announcements and be well ahead of the competition when an opportunity arises. One of the most effective means of gaining such insight is by involving a broader swath of the organization in the process and early engagement with advisors.

For example, companies should ask their externally facing employees to keep an ear to the ground. A logistics worker might ask suppliers if they've been facing any trouble getting paid. A sales or service-oriented employee could query customers and clients as to any problems with deliveries or order fulfillment. Credit, collections and other finance staff can be asked to stay on top of credit alerts, downgrades or similar events, which can be precursors to severe distress. Expanding awareness throughout the organization can lead to better intelligence and create a competitive head start.

Getting ready: an organizational checklist

- ▶ Senior management buy-in and sponsorship
- ▶ Clear understanding of the current market environment and macro scenarios
- ▶ Deep sector understanding
- ▶ Clearly articulated goals or objectives
- ▶ Detailed understanding of the process (if any)
- ▶ Clearly delineated analytical framework
- ▶ Precisely stated target return metrics
- ▶ Streamlined decision processes
- ▶ Adequate and appropriate resources, preferably cash
- ▶ Early engagement with advisors
- ▶ Communication plan with key stakeholders

Conclusion

COVID-19 has impacted almost all sectors of the economy. In every industry, impaired or distressed assets have the potential to generate an above-average return on capital. But success is far from guaranteed. Acquirers must acknowledge in the beginning that such assets carry higher risks than more conventional investments. In addition, acquirers will need keen insights into the market landscape, credit assessment, liquidation, restructuring, and related bankruptcy rules and practices. This should include knowledge of the various acquisition and integration strategies, and legal structures that can facilitate or enhance distressed investing, as well as all associated tax implications.

Acquirers should also expect to operate outside their traditional comfort zones. Valuations will tend to be based more on expected deployment, not historical data. Acquirers must also be willing to streamline decision-making. Insistence on endless review processes featuring multiple signoffs will likely confer success to a swifter competitor.

If an acquirer has confidence in its processes for addressing the challenges, there can be great opportunity in impaired assets. These are assets that can be acquired at steep discounts relative to traditional assets. Moreover, they may come with stapled financing, enabling significant leverage and therefore reducing the amount of deployed capital. Given capable leadership, the human resources in a given acquisition can be inspired to greater performance.

Today, the opportunities to acquire impaired businesses and assets are increasing. Buyers that are adequately prepared will likely find enormous opportunities. Those who fail to prepare and capitalize will likely face the ire of shareholders and other stakeholders. Owing to greater complexities and heightened risks, investing in impaired assets requires an acquirer to commit greater management capital. But with preparation, information and nerve, such commitments can yield rich rewards. Make sure you can answer most, if not all, of the closing questions in this report. Understand the risks. But ignore this opportunity at your peril.



Questions to ask before moving to acquire a distressed asset:

- ▶ What is the extent of the collapse in market demand? What implications does it have on the solvency of the business over the short term? What is the credible path to the business' ability to recover?
- ▶ How are both our business and the target's business expected to perform through various post-crisis recovery scenarios?
- ▶ To what extent is the market expected to return to pre-crisis levels vs. resulting in a permanent shift in performance or nature? What implications does this have for the target?
- ▶ What are the reasons for and against the impaired asset acquisition? To what extent is our judgment about moving on this acquisition swayed primarily by its low price?
- ▶ Is the target over-leveraged? How much is too much? How will we know?
- ▶ Should we buy the entire company or just its assets? How will we determine which is the best option?
- ▶ Where does the value break and should our strategy be to acquire through the debt?
- ▶ How confident are we in our company's due diligence process and capabilities to execute thorough primary and secondary research quickly and effectively? What can or should be done from both a cultural and resources perspective to raise this confidence?
- ▶ How comfortable are we with virtual due diligence if it is mandated?
- ▶ In case of a cross-border acquisition, are we aware of all the host country's governmental regulations and restrictions regarding distressed targets, restructuring, liquidation and bankruptcies?
- ▶ Do we understand the process that is being run (e.g., distressed M&A process, refinancing and potential use of insolvency techniques)?
- ▶ How should the acquisition be structured to maximize tax efficiency?
- ▶ Do we have the ability to redeploy these assets to generate above-average returns?
- ▶ Does our company's culture support the potential benefits and challenges associated with the acquisition of distressed assets? What is our company's risk tolerance? What is our board of directors' perspective on what it takes to make impaired asset acquisition a successful strategy?
- ▶ Does my company fully understand the complicated tax implications of an impaired asset acquisition?
- ▶ How do we expect to utilize the newly acquired asset compared with how it was used previously? What new perspective on asset and capital deployment will we, the buyer, bring to this otherwise impaired asset?
- ▶ Have we considered in our bid, not only the price, but other conditions, such as the assumption of liabilities, supply contracts or leases?
- ▶ Does the impaired asset represent businesses outside our company's direct experience? Would the acquisition constitute an expansion of one's core competence or a foray into an entirely new business line?
- ▶ What would our exit strategy be, if the acquisition does not generate the necessary ROI?
- ▶ Have we made sure we have the right advisors around us?

Contacts

Andrew Wollaston

EY Global TAS PE, Reshaping Results and Restructuring Leader
awollaston@uk.ey.com
+44 20 7951 9944

Brian Salsberg

EY Global Buy and Integrate Leader
brian.salsberg@ey.com
+12127733462

Ivan Lehon

EY Global Credit and Alternative Investments Leader
ivan.lehon@ey.com
+16123414735

Charlie Alexander

EY Global Banking and Capital Markets TAS Leader
cpalexander@uk.ey.com
+44 20 7951 4420

Suwin Lee

EY Global Restructuring Tax Network Leader, EY Global Solutions Leader for Post Deal Solutions
slee1@uk.ey.com
+ 44 7770 227044

Falco Weidemeyer

EY EMEIA Reshaping Results Leader
Falco.Weidemeyer@de.ey.com
+49 6196 996 18335

Sandra Krusch

EY EMEIA Buy and Integrate Co-Leader and GSA Private Equity Leader
Sandra.Krusch@de.ey.com
+49 40 36132 19157

Fredrik Burger

EY EMEIA Private Equity Value Creation Leader
FBurger@uk.ey.com
+44 20 7951 6414

Chris Locke

EY EMEIA Financial Services TAS Partner
clocke@uk.ey.com
+44 20 7951 1326

Rainer Bizenberger

EY EMEIA Restructuring Leader
Rainer.Bizenberger@de.ey.com
+49 30 25471 26931

Mona Bitar

EY UKI Reshaping Results Leader
mbitar@uk.ey.com
+44 20 7951 4437

Sundaresan Viswanathan

EY UKI Transaction Advisory Services Partner
sviswanathan@uk.ey.com
+44 20 7951 0466



Chetan Malkan

EY UKI Financial Services TAS Director
cmalkan@uk.ey.com
+44 207 951 6978

Gaurav Malhotra

EY Americas Reshaping Results Leader
gaurav.malhotra@ey.com
+13128794020

Dominic J Iannazzo

EY US Transaction Diligence Partner
dominic.iannazzo@ey.com
+16123414735

Greg Schooley

EY US Private Equity Value Creation Leader
Gregory.Schooley@ey.com
+12127735444

Nadine Mirchandani

EY Americas Financial Services TAS Leader
nadine.mirchandani@ey.com
+12127730090

Christopher Mack

EY APAC Reshaping Results Leader
christopher.mack@jp.ey.com
+81 3 4582 6655

Violet Zhu

EY APAC Buy and Integrate Leader
Violet.Zhu@cn.ey.com
+86 10 5815 2565

Sriram Changali

EY APAC Private Equity Value Creation Leader
Sriram.Changali@sg.ey.com
+65 6309 8555

Jonathan Zhao

EY APAC Financial Services TAS Leader
jonathan.zhao@hk.ey.com
+852 28469023

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