



Financial Services in Uncertain Time

Distressed M&A

Context

Distressed M&A services aim at stabilising the financial situation of a distressed company by attracting an investor with the capacity to refinance and reorganise the distressed entity. By employing distressed M&A processes—rather than focussing on the liquidation of assets—companies, or parts of companies, retain higher valuations as ongoing concerns.

Risks and Challenges

- Frequently, stakeholders must accept the risk of supporting the company during the time of the distressed M&A process. This amounts to “stand-still” behaviour from financial backers, and sometimes includes the provision of interim financing.
- The situation requires an experienced and dedicated team of advisors who can deal with the immediate stabilisation measures of the company and the moderation of interest of stakeholders, while at the same time attracting the interest of potential investors and negotiating an optimal transaction.

How Deloitte can help

Swift creation of a competitive tender. It is key to be able to rely on an advisor who can set up the M&A process under severe time pressure in order to stem the most significant liquidity drain.

International footprint and contact network, and knowledge of the investment rationales of investors willing to step into distressed situations. The major success factor for maximising valuations is creating competitive momentum by attracting more than one interested party.

Alignment of stakeholder strategies and expectations by creating trust in the process. Transparency of the process, reliability of financial data, and predictability of project steps and results in total, create a sufficient level of trust for the stakeholders in the process and trigger supportive behaviour in stakeholders.

Contact us for more information: deloitte.sk@deloittece.com