Advanced Merger Modeling

Advanced M&A Transaction Analysis

Summary

This hands-on advanced course focuses on the skills required to design and create a powerful model to analyze the impact of a merger or acquisition.

Participants will be asked to incorporate several additional components into an existing merger model, including various break-even points, cash flow impact and forecasted summary balance sheets.

⭐ Prerequisites

This course builds on the modeling skills already discussed in "Merger Modeling", so participants may want to complete that course prior to taking the "Advanced Merger Modeling" session.

🕐 Timing

This course requires 1 day.

Learning Topics

1. Build a Merger Model
- ✓ Review the various assumptions required to prepare a merger model
- ✓ Identify potential synergies and incorporate them into the model
- ✓ Use various forms of consideration in an acquisition
- ✓ Calculate the impact of mergers and acquisitions on a buyer's financial statements
- ✓ Review and incorporate various checks to make sure the model is working properly
- ✓ Incorporate powerful Excel tools to sensitize the outputs
- ✓ Create summary analysis to synthesize and display important information

2. Determine the Impact on an Acquirer's Financial Statements
- ✓ Understand various break-even points in the merger model
- ✓ Analyze the accretion / dilution using a "like-for-like" capital structure to identify the cause of the accretion / dilution
- ✓ Modify the merger model to incorporate a target capital structure on the closing date of the transaction
- ✓ Analyze the impact of an acquisition on the acquirer's cash flows, including whether the acquirer can maintain its dividend following the acquisition
- ✓ Incorporate forecasted pro forma balance sheets into the model
- ✓ Understand the tax implications of buying shares vs. buying assets, including how this impacts the buyer's financial statements over time