

Merger Modeling

M&A Transaction Analysis

Summary

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

Issues related to combining two companies will be reviewed and discussed.

The course will be taught from the perspective of finance professionals who need to quickly assess the impact of a merger between publicly traded companies.



Prerequisites

This course builds on “Building a Financial Model (of a Company)”, so participants may want to complete that course prior to taking the “Merger Modeling” session.



Timing

This course requires 1 day.

Learning Topics

1. Review M&A Considerations

- ✓ Discuss the rationale for merger models
- ✓ Review the different approaches used to complete an acquisition and the related tax implications
- ✓ Discuss other analyses to assess the attractiveness of a transaction (i.e. Analysis at Various Prices, Contribution Analysis, Breakeven Analysis)

2. Build A Merger Model

- ✓ Review the various assumptions required to prepare a merger model
- ✓ Identify and incorporate potential synergies
- ✓ Use various forms of consideration in an acquisition
- ✓ Calculate the impact of mergers and acquisitions on a buyer's financial statements
- ✓ Calculate pro forma ownership positions based on various forms of consideration
- ✓ Incorporate various model checks
- ✓ Incorporate tools to sensitize outputs
- ✓ Create summary analysis to synthesize and display important information
- ✓ Transform a single merger model into a powerful tool that can quickly analyze the impact of a company making multiple acquisitions

3. Incorporate Accretion/Dilution Analysis

- ✓ Understand accretion and dilution concepts
- ✓ Review the limitations of accretion / dilution calculations and incorporate post-transaction analyses to enhance the model's ability to serve as a decision-making tool