



Financial Restructuring

Restructure & Rebound

January 2022





Whether originally structural or cyclical, various endogenous or exogenous factors may lead a business into a crisis, no matter at which development stage it might be (growth, maturity, etc.).

Anticipating the management of these factors and identifying appropriate solutions as early as possible is vital to maximize leverages and possibilities for rebound.

Deterioration of the Financial Situation

Profitability Crisis

Liquidity Crisis

Insolvency

Financial Diagnosis

- Deep understanding on the profitability of different branches of activity
- Identification of key under-performance root causes

Financial Restructuring

- Search for alternative funding
- Calibrating the financing structure on the basis of cash generation forecast

Identification of the Possible Outputs

- Turnaround and debt reimbursement plan
- Takeover / disposal

Proven Insolvency

- Liquidation options

Implementing a financial restructuring based on a robust financial diagnosis maximizes the chances of a successful and sustainable turnaround.



Relying on a financial restructuring advisor means optimizing the chances of a successful and sustainable turnaround by gaining in efficiency and time, allowing the general and financial management teams to focus on the strategy and management of the business.



IBR

Our Independent Business Review (IBR) provides a **reliable and objective** analysis of the financial situation of a business, and allows to:

- Identify the root causes for under-performance and the potential areas of losses,
- Assess cash management optimisation solutions (WCR, alternative levers, etc.)
- Analyse the cash generation and the financial/restructuring requirements.



Crisis Exit Plan

Our modelling and analysis of restructuring scenarios show the impact of operational and financial measures on the forecasts, in order to:

- Challenge the impact of downgraded scenarios (sensitivities and stress tests) on the cash flow forecast,
- Analyze the company's capacity to reimburse its debt and the acceptable covenants,
- Optimize the negotiations with financial creditors to restructure the debt and calibrate CAPEX authorizations.



Distressed M&A

We assist the buyers of distressed companies **in the analysis of the planned investment (buy-side)** in order to identify the financing needs, considering the specificities of a distressed transaction (liabilities transferred to the acquirer, reconstitution of working capital, etc.). We also assist shareholders (funds and corporate) **in the sale of underperforming branches of activity or subsidiaries (sell-side)**.

Our proposals are tailor-made in order to match your situation and the specific challenges of your company or group.



A methodology that is

Our technical **know-how** is based on a rigorous financial methodological approach coupled with a knowledge of the specificities and common pitfalls to avoid in a distressed context, in order to deliver robust analysis, presented in a clear and synthetic manner.



..collaborative

Our teams work in close collaboration with yours and your other advisors. We **listen** to your needs and maximize the potential of your financial data, ensuring that **you remain in control of your financial information.**



.. and solution-oriented

We analyze the root causes of the deterioration of the financial situation and highlight the **levers for optimizing** your performance, in order to bring out your **solutions for overcoming the crisis.**

Our methodology, implemented in a collaborative manner, aims to identify the levers of optimization of your financial performance and to bring out solutions to overcome the crisis.



Since 2012, Nexia TRI (*Turnaround, Restructuring and Insolvency*) community gathers Nexia professionals specialized in **financial, operational, and legal restructuring**.

Thanks to this worldwide network, Aca Nexia benefits from an international expertise **in all business restructuring fields** with a **cross-border approach**, therefore offering **integrated services** to **international groups** in financial distress.



**45 member
countries**



**Expertise of cross-border
restructuring**

(finance, operations, legal)

Independent Business Review (IBR)



Sector
Decoration



Size
€35m turnover

Issue

An international group affected by the Covid-19 crisis was struggling to negotiate with its banking pool and landlords. We were called to intervene when the statutory auditor launched a warning procedure and several enforcement procedures were initiated by the landlords.

Solution

The implementation of a conciliation procedure, with the issuance of an IBR report and numerous *ad hoc* analysis carried out at the request of the group, the landlords, the conciliator and the banks enabled a global restructuring solution to emerge, thanks to the collaboration of all the parties involved.

Benefits

- State-guaranteed loan granted despite the initial reluctance of the banks.
- Securing a repayment schedule and a period of payment exemption with the landlords.
- Interruption of the warning procedure and restoring of the trust.

Crisis Exit Plan



Sector
Catering



Size
€20m turnover

Issue

A group of companies operating an emblematic French brand had been underperforming for several years due to the excessive weight of the rent for its flagship outlets and fixed costs that were not adapted to its new business model. We assisted in the opening of a receivership (Fr. "*redressement judiciaire*").

Solution

In addition to assisting with the opening of the proceedings (Statement of suspension of payments), our submission of the recovery plan enabled the group to obtain the approval of the restructuring plan, including the closure of the two emblematic sites and the implementation of a lay-off plan, in a record time (2 months).

Benefits

- State-guaranteed loan granted from a pool of three banks despite already existing short-term loan.
- Secured AGS (wage guarantee insurance) financing under the plan with a 24 month repayment scheme.
- Obtained an 8-year debt reimbursement plan to secure the company's turnaround.

Distressed M&A – Buy-side

Sector
RetailSize
€300m turnover

Issue

A French clothing distribution group, in conciliation proceedings, was looking for investors to overcome the consequences of a significant drop in activity. We were approached in the context of a share deal under the conciliation procedure.

Solution

Delivery of a risk analysis report which identified several material price-increasing factors:

- Underinvestment over the last 5 years and a co-investment commitment in a joint venture not previously identified;
- Overestimation of the factor financing in the target's cash flow forecast and a higher cash requirement.

Benefits

- The investor was able to deepen the analysis of the risks identified, particularly with regard to CAPEX.
- The investor was able to adjust its offer to the Target's banking partners in light of the additional financing needs identified.

Distressed M&A – Sell-side

Sector
EnergySize
€10m turnover

Issue

Given the surge in energy prices, the foreign parent company of the French company filed for bankruptcy and was no longer able to support its subsidiary. We were called in after several weeks of internally managed M&A process to which a significant part of the internal resources was devoted and which did not result in any takeover offer.

Solution

Setting up an accelerated distressed M&A process in view of the imminent cash shortage.

Our team produced all the related documentation (information memorandum, teaser, process letter), managed the setting up of a data room and was engaged in the interactions with all the potential bidders, as well as with the turnaround manager, the conciliator and the lawyers.

Benefits

In this turbulent context, the Management was able to concentrate on the day-to-day running of the business, as our team took charge of the M&A process alongside the conciliator.



Who We Are

Aca Nexia, expert in SMEs and Mid-cap growth, provides customers with tailor-made and value-creating solutions in the accounting and financial fields.

Aca Nexia gathers 250 professionals including 22 partners and assists 1,500 customers in audit, accounting, transaction services, financial consulting and social management.

Accountable for its clients' financial information and being its customers' partner, Aca Nexia and its teams stand out for their technical excellence with demonstrated in-field proficiency, and their ethical standards and sense of commitment.

Innovation-driven and with an authentic international dimension, led for over 20 years by the Nexia Network, Aca Nexia succeeds to continuously offer the best range of services, taking advantage of the latest digital opportunities, all the whilst bearing compliance to its clients' needs.



30M€

fees in 2021



250

Professionals
including 21 partners



4

Offices



8th

Nexia International,
8th worldwide
network

Our Values

Team Spirit

Involvement, attentiveness, mutual respect.

Trust

Transparency, loyalty, integrity.

Added Value

Expertise, pragmatism, capitalization and transmission of experience.

CSR

As much with its team as with its clients, Aca Nexia puts humans at the very heart of its projects, services and commitments.

Aca Nexia cares about its employees' wellbeing and commits to promote diversity and equality amongst its teams, and to fully support career development with tailored training and provide assistance validating acquired skills.



Audit

- Financial Audit
- IT Audit
- CSR Audit
- Merger Audit



Advisory

- Financial Advisory
- Operational Advisory
- Risk Management
- CSR / ESG Advisory



Accounting and Tax

- Production and Reporting
- Revision and Consolidation
- Finance Accountancy BPO
- Foreign Desk
- Payroll and Social Management
- Legal & Tax Services

CSR

Accredited
by the COFRAC

IFRS

Listed companies and
other PIE

Innovation

In our audit approach
and IT processes

Transaction Services

300+ operations in 3 years
with 60 deals processed per
annum

Restructuring

Support businesses through
times of crisis or
underperformance

360° offer

Integrating risk
management and internal
advisory control

Excellence

Pluridisciplinarity and services
tailored to the requestor' needs

Added Value

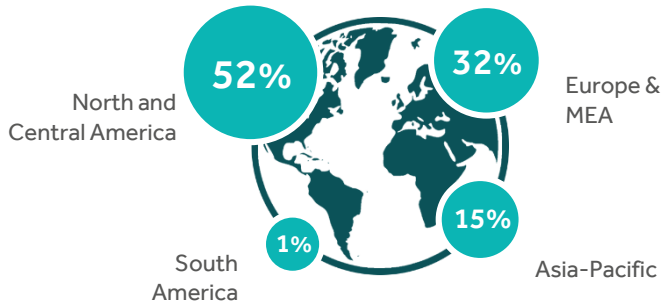
Accountable for its clients'
financial information and its'
customers partners

Contemporary

Innovative digital tools to
assist the clients

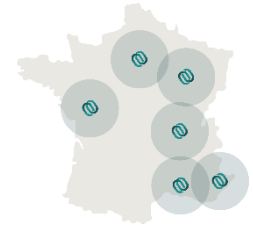
Nexia International

Nexia International is part of the top 10 leading networks in audit and consulting. This dynamic, balanced and diversified network allows for easy collaboration amongst the teams and provides access to a wide range of resources and solutions on an international and regional scale.



Nexia France

Nexia France is composed of 6 companies launched across 37 offices: Aca Nexia, Eca Nexia, Groupe Y Nexia, Novances Nexia, Odycé Nexia et Sefico Nexia.



Their coordination, eased by frequent steering committees, is supported by their ATH membership with whom they share common quality and work standards.

This organisation allows the network to have access to a wide diversity of experts and resources across all locations, which is rather unique for a human-sized firm.

Our Team's Contacts



Cédric Joubert
Associate Partner Restructuring

c.joubert@aca.nexia.fr
+33 (0)6 31 52 40 20



Elena Rozenko
Manager Restructuring

e.rozenko@aca.nexia.fr
+33 (0)6 31 40 13 15