

# Deal Structuring (Merger & Acquisition Analysis and Private Equity & Venture Investing) Course Descriptor

Course Code	FELBUSI7213	Discipline	Business
UK Credit	30	US Credit	
FHEQ Level	Level 7	Date Approved	
Core Attributes			
Pre-requisites	None		
Co-requisites	None		

## Course Overview

Students are introduced to Merger & Acquisition (M&A) analysis, building an M & AI using inputs from comparable transactions and then reviewing the key effects of the proposed transaction on Earnings Per Share and other metrics.

Students build an Leveraged Buy Out (LBO) model, understanding how to structure the transaction, build a 'sources and uses of funds' schedule and analyse Internal Rate of Return (IRR) and Money on Money returns.

Frequently course materials and assessments will reference live data from Felix, when analysing acquisitions, ensuring the relevance of the analysis in a rapidly changing sector.

## Learning Outcomes

On successful completion of the course, students will be able to:

### Knowledge and Understanding

- K2d Establish an in-depth understanding of how M&A deals are structured, modelled and analysed, referencing operational, financial and Environmental, Social & Governance (ESG) considerations.
- K3d Develop a critical analysis of the debt capacity of an entity based on a detailed review of its cash generative potential to inform sound analytical judgements on the attractiveness of a potential acquisition target to Private Equity (PE) in an LBO deal.

- K3d Structure and build a complex LBO model, using an operating model, in order to critically evaluate its ability to generate an IRR acceptable to a PE fund.

### Subject Specific Skills

- S1d Critically evaluate whether an M&A deal is likely to be practically feasible based on a deep understanding of the relevant financial and ESG metrics against which it will be appraised.
- S3d Investigate the viability of an acquisition by sensitising inputs and evaluating the impact on key deal metrics.

### Transferable and Employability Skills

- T1d & T2d Be able to make decisions in complex situations with unpredictable longer term outcomes.
- T3d Consistently display an excellent level of technical proficiency in written English and command of scholarly terminology, so as to be able to deal with complex issues in a sophisticated and systematic way.

## Teaching and Learning

This course is complimented by Felix, from Financial Edge. Students join 15,000 other users on Wall Street, and have instant access to over 2,500 precise instructor-led videos using Financial Edge's powerful search system. The library grows each week and covers a wide range of topics, from fundamentals to the more advanced. Students can save videos and build their own library.

The scheduled teaching and learning activities for this course are:

Faculty hold regular 'office hours', which are opportunities for students to drop in or sign up to explore ideas, raise questions, or seek targeted guidance or feedback, individually or in small groups.

Faculty are:

- On campus 2 days a week.
- Students are able to access faculty 24 hours a day, 7 days a week via the Felix platform, with a 48 hour response time.
- Students are able to raise questions directly to faculty through Financial Edge's Virtual Learning Environment.

Students are to attend and participate in all the scheduled teaching and learning activities for this course and to manage their directed learning and independent study.

Indicative total learning hours for this course: 300

## Assessment

Both formative and summative assessment are used as part of this course, with purely formative opportunities typically embedded within interactive teaching sessions, office hours, and/or the VLE.

### Summative Assessments

AE:	Assessment Activity	Weighting (%)	Duration	Total Length
1	Portfolio 1	35%	4 hours	4,000 words
2	Portfolio 2	35%	4 hours	4,000 words
3	Exam	30%	2 hours	2,000 words

### Learning outcomes assessed

#### Portfolio 1

- Establish an in-depth understanding of how M&A deals are structured, modelled and analysed, referencing operational, financial, and ESG considerations.
- Critically evaluate whether an M&A deal is likely to be practically feasible based on a deep understanding of the relevant financial and ESG metrics against which it will be appraised.
- Investigate the viability of an acquisition by sensitising inputs and evaluating the impact on key deal metrics.
- Be able to make decisions in complex situations with unpredictable longer term outcomes.
- Consistently display an excellent level of technical proficiency in written English and command of scholarly terminology, so as to be able to deal with complex issues in a sophisticated and systematic way.

#### Portfolio 2

- Develop a critical analysis of the debt capacity of an entity based on a detailed review of its cash generative potential to inform sound analytical judgements on the attractiveness of a potential acquisition target to Private Equity (PE) in an LBO deal.
- Structure and build a complex LBO model using an operating model in order to critically evaluate its ability to generate an Internal Rate of Return (IRR) acceptable to a PE fund.

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- Investigate the viability of an acquisition by sensitising inputs and evaluating the impact on key deal metrics.
- Be able to make decisions in complex situations with unpredictable longer term outcomes.
- Consistently display an excellent level of technical proficiency in written English and command of scholarly terminology, so as to be able to deal with complex issues in a sophisticated and systematic way.

### Exam

- Establish an in-depth understanding of how M&A deals are structured, modelled and analysed, referencing operational, financial, and ESG considerations..
- Develop a critical analysis of the debt capacity of an entity based on a detailed review of its cash generative potential to inform sound analytical judgements on the attractiveness of a potential acquisition target to Private Equity (PE) in an LBO deal.
- Structure and build a complex LBO model using an operating model in order to critically evaluate its ability to generate an IRR acceptable to a Private Equity (PE\_ fund.
- Critically evaluate whether an M&A deal is likely to be practically feasible based on a deep understanding of the relevant metrics against which it will be appraised.
- Investigate the viability of an acquisition by sensitising inputs and evaluating the impact on key deal metrics.
- Demonstrate an understanding of the key drivers for business combinations.

Further information about the assessments can be found in the Course Syllabus.

## Feedback

Students will receive formative and summative feedback in a variety of ways, written (e.g. marked up on assignments, through email or the VLE) or oral (e.g. as part of interactive teaching sessions or in office hours).

## Indicative Reading

Note: Comprehensive and current reading lists are produced annually in the Course Syllabus or other documentation provided to students; the indicative reading list provided below is for a general guide and part of the approval/modification process only.

## Indicative Topics

Note: Comprehensive and current topics for courses are produced annually in the Course Syllabus or other documentation provided to students; the indicative topics provided below are used as a general guide and part of the approval/modification process only.

- Students build an M&A model using key information from a trading comparables model to review the key financial effects of a potential acquisition at different prices.
- Starting with a partially complete operational model, students build on an LBO model with a complex debt sheet and a section for returns to equity holders.
- Students understand how to structure an acquisition using debt financing.
- As companies decide on strategic disposals, a variety of options are available to structure such transactions. Students will review the pros and cons of each divestiture structure and model the impact on the divesting entity, both from a financial and valuation perspective.
- Students are introduced to an LBO with a detailed multi-tranche financing structure. A fully integrated buyout model is completed with a detailed debt sheet. This demonstrates how to model the effects of an add on acquisition to an LBO transaction. From the starting point of an existing model, this course guides students through the steps needed to adjust the model to incorporate the effects of a potential add on acquisition.

<b>Title: FELBUSI7213 Deal Structuring (Merger &amp; Acquisition Analysis and Private Equity &amp; Venture Investing)</b>					
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<b>Location: Academic Handbook/Programme Specifications/Postgraduate</b>					
<b>Version number</b>	<b>Date approved</b>	<b>Date published</b>	<b>Owner</b>	<b>Proposed next review date</b>	<b>Modification (As per AQF4) &amp; category number</b>
1.1	October 2023	October 2023	Dr Marianna Koli		Category 1: Corrections/clarifications to documents which do not change approved content or learning outcomes.
1.0			Dr. Marianna Koli		