Financial Restructuring and Business Turnaround

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We specialise in dealing with distressed assets

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Andrei has led dozens of landmark restructuring engagements in Russia, Kazakhstan and other CIS countries, as well some large business turnaround projects in the UK. Andrei is also a visiting Professor at the New Economic School.

About our team

Restructuring and turnaround are part of Deloitte CIS’s Financial Advisory service line, which has 300+ experts in business valuation, due diligence, M&A and forensic investigations.

Our team helps companies in distressed financial situations. We have been working in restructuring and turnaround for over 10 years – during this time we have successfully executed over 50 large engagements in Russia, Kazakhstan, Ukraine, Azerbaijan and other countries.

We help stakeholders gain an understanding of what is really going on with distressed assets, select the most suitable restructuring option and then draw up a clear strategy. Our clients include financial institutions dealing with non-payment from their borrowers, and borrowers experiencing cash deficits and aiming to re-negotiate better financing terms or raise additional funds. We also work with family offices, funds and management companies, helping them assess the prospects of under-performing subsidiaries/joint ventures and find solutions to improve the situation.

Why Deloitte?

Vast technical expertise

We always engage qualified technical experts and engineers from the Deloitte global network and trusted third-party specialists when conducting an independent analysis of distressed assets or developing a recovery plan.

We know lenders

We understand how restructuring deals are brokered and the internal decision-making process of banks and other lenders. We know both the formal requirements of various financial institutions and their real expectations, while lenders appreciate our professionalism and trust our independent opinion.

End-to-end assistance

Unlike the other Big Four firms, we not only develop turnaround plans, but can also assist directly in the implementation of the plan on a success fee basis.
We can offer full-cycle asset restructuring services or assist with a particular stage of the process

**Operations:**

1. **Diagnostics**
   - Examine the business and key reasons for the poor financial performance
   - Comparison with industry benchmarks
   - Analysis of the available restructuring options and decision tree
   - Assessment of the potential impact on financial performance and related risks.

2. **Restructuring plan**
   - Roadmap for the option selected by the client
   - Production, marketing and procurement plan
   - Target financial model and achievable KPIs
   - Recommended asset management framework.

3. **Execution**
   - Assistance in selecting a new management team and industry expects
   - Project office services and assistance to the Board of Directors
   - External CFO and independent control of payments
   - Regular monitoring of performance and status updates.

**Liquidity and funding:**

4. **Debt restructuring negotiations**
   - Independent review of borrowers, including operational and marketing expertise
   - Analysis of the available debt restructuring options, their legal and tax consequences
   - Development of a restructuring proposal and its presentation to creditors
   - Daily assistance in negotiations until the debt restructuring agreement is signed.

5. **Raising new financing**
   - Targeting of potential investors and definition of achievable financing terms
   - Preparation of investment memorandums and related documentation
   - Presentations for investors and independent reviews upon their request
   - Comprehensive support until financing is received.
We work with major companies and financial institutions

**Selected projects**

**Large microelectronics manufacturer**

**Scope of work:**
- We conducted a comprehensive financial and technical review of major, non-performing project which involved the engagement of international engineers, and then evaluated several restructuring scenarios for the project;
- We helped prepare a recovery plan and presented it to the lender and government stakeholders.

**Benefits for the client:**
- Restructuring of $1bn+ debt.
- New financing of $300 mln.

**Large agricultural holding (500,000 ha)**

**Scope of work:**
- We conducted a comprehensive business review, engaging a team of professional agronomists, and then evaluated the available financial recovery options;
- We drew up a proposal for a potential investor and launched debt restructuring negotiations with lenders.

**Benefits for the client:**
- Deferral of debt payments for 12 months and ongoing restructuring of $400 million debt.
- Strategic investor interested in long-term turnaround of the business.

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