Today's environment
As the financial services industry reacts to the financial impacts resulting from the pandemic, there is no precedent on how the current environment will impact the real estate, investment management, insurance, and the banking & capital market sectors. It will be critically important to be prepared for volatility in the marketplace. Deloitte has an integrated, multi-disciplinary team of professionals with significant downturn experience who are dedicated to advising investors across the full spectrum of analyzing decisions and executing on strategies related to distressed debt and assets.

Potential challenges and opportunities
Pursuing strategies around distressed debt and assets may create new opportunities as well as unique challenges. A properly constructed roadmap can help mitigate risk and maximize the value of the assets.

Some of the following situations may require careful attention:
• Creating an acquisition strategy that considers individual loans or properties, portfolios of loans or assets, or entire institutions
• Assessing operational efficiency and managing loans and assets to stabilize and enhance value effectively
• Estimating and recovering value in an illiquid marketplace
• Creating an exit strategy which maximizes value through recapitalization, refinancing, or sale
• Keeping pace with the many changing rules for financial accounting requirements, including current expected credit losses, lease accounting, revenue recognition, etc.
• Ensuring tax compliance while identifying tax planning to mitigate risk and enhance after tax ROI
• Addressing regulatory changes and business impact
• Deploying financial technology solutions to address challenges around the administration, accounting, and tax demands of today's market. See more at www.deloitte.com/ft

Focused on your objectives
Deloitte’s Distressed Debt and Asset Services professionals focus on our client’s specific objectives to help them design strategies and deliver solutions to enable clients to address their complex needs. When analyzing and planning distressed debt and asset related activity, we identify four areas of focus to maximize value. We can customize our services for one or all phases described below, based on clients’ needs.

Due Diligence
Identify and assess
• Access, collect, and analyze data
• Analyze financial and operational strategies based on selected value and risk drivers
• Identify potential opportunities and challenges, and report findings to key stakeholders

Strategy Action Plan
Plan and communicate
• Devise a strategy and plan to manage/operate the asset or instrument
• Perform scenario modeling
• Assess funding and returns

Strategic Implementation
Mobilize and execute
• Create a process to implement the plan with actions, timelines, etc.
• Consider roles, responsibilities and embedded capabilities
• Access capital

Maximize Value
Respond and thrive
• Consider steps to maximize value
• Devise exit plan/strategy
• Find strategic buyer/partner
• Recapitalize/refinance
Distressed Debt and Asset Services:
Investors

We provide broad-based solutions by

**IMPLEMENTING STRATEGIES**
- Portfolio analytics and analyses
- Loan agreement and file reviews
- Cash flow projections

**CREATING DEAL STRUCTURES**
- Valuations and pricing analyses
- Financial & data analytics

**ACCESSING CAPITAL MARKETS**
- Quality of earnings analysis
- Market research and analysis
- Organization and process analyses
- Tax, accounting and operational due diligence
- Tax attributes and planning analysis
- Balance sheet and cash management reviews

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**Due Diligence**
- Strategic planning & analyses
- Business process improvement
- Cost enhancement
- Organization and process design
- Policies and procedures
- Synergy/cost savings analysis

**Strategy Action Plan**
- Tax efficient structuring
- Tax accounting method planning
- Accounting standards and implementation
- Risk management and controls analyses

**Maximize Value**
- Debt restructuring/modification
- Exit strategy development and disposition support
- Debt and capital raising
- Transaction support for divestitures, mergers, and acquisitions
- Tenant revenue/expense enhancement
- Modification and reorganization tax planning and analysis
- Tax disposition planning

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**Strategic Implementation**
- Tax yield determinations
- Taxable income and basis calculations
- Budget and forecasting reviews
- Capital cost allocation
- Purchase price allocation
- Asset management
- Waterfall modeling
- Synergy capture
- Business plan creation
- Operations monitoring
- Data analytics

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* Valuations are highly dependent on a number of subjective factors. Client is responsible for representations about its plans and expectations and Deloitte does not guarantee, warrant, represent or otherwise provide any assurance that the client will maximize value.

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**The right team with the right experience**

As a leading advisor to companies with distressed assets, Deloitte helps clients create opportunities for liquidity, growth, and long-term advantage. Our professionals have the technical and industry experience to provide unbiased advice and the necessary perspective to help companies considering distressed asset strategies. Our team has extensive experience gained through past financial downturns to rapidly mobilize professionals with the right knowledge across disciplines and industries to advise investors to assist them in achieving their immediate and long-term needs in this challenging economic environment.

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