

## Distressed Debt and Asset Services: Investors



### 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, refinance, 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](http://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.



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We provide broad-based solutions by



**IMPLEMENTING STRATEGIES**



**CREATING DEAL STRUCTURES**



**ACCESSING CAPITAL MARKETS**

### Due Diligence

- **Portfolio analytics and analyses**
- Loan agreement and file reviews
- Lease agreement and reimbursable reviews
- Cash flow projections
- **Valuations and pricing analyses**
- Financial & data analytics
- 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

### Strategy Action Plan

- **Strategic planning & analyses**
- Business process improvement
- Cost enhancement
- Organization and process design
- Policies and procedures
- Synergy/cost savings analysis
- **Tax efficient structuring**
- Tax accounting method planning
- Accounting standards and implementation
- **Risk management and controls analyses**

### 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**

### 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

\* 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.



### 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.

#### Steven Bandolik

Managing Director  
Deloitte Services LLP  
+1 312 486 9766 | sbandolik@deloitte.com

#### Michael Epstein

Principal  
Deloitte Transactions and Business Analytics LLP  
+1 617 437 2304 | mjepstein@deloitte.com

#### Nathan Florio

Principal  
Deloitte Transactions and Business Analytics LLP  
+1 212 436 3451 | naflorio@deloitte.com

#### Max Bercum

Principal  
Deloitte Consulting LLP  
+1 305 372 3146 | mbercum@deloitte.com

#### Glenn Geffner

Partner  
Deloitte Tax LLP  
+1 973 602 6248 | ggeffner@deloitte.com

#### Lisa Hernandez

Partner  
Deloitte & Touche LLP  
+1 212 436 2980 | lishernandez@deloitte.com

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