

Mergers and Acquisitions and LBO

EM3E5M13

Program

PGE
PGE 3A -Finance (FIN)

UE

International Corporate Finance

Semester

A

Discipline

Finance

Contact hours

12 H

Number of spots

45

ECTS

2

Open to visitors

Yes

Language



Coordinator

Ali Özdakak



List of lecturers

Lecturer(s)	Email	Contact hours - lecture
Ali ÖZDAKAK	ali.ozdakak@em-strasbourg.eu	12 h

Pedagogical contribution of the course to the program

Développer un management à impact grâce aux connaissances et aux outils les plus récents dans les domaines du management

Developing a strategic and managerial vision in a complex, uncertain and changing environment

Evaluate sustainable managerial practices using managerial concepts and instruments as well as digital tools

Design solutions adapted to organizational problems by applying relevant methodologies

Développer des compétences managériales de niveau avancé se traduisant par un leadership responsable

Recommend decision making by taking a critical approach to driving change in organizations

Pratiquer un management à impact dans un environnement multiculturel et international, porté par un "European mindset"

Communicate in a professional context in (foreign) languages, in writing and/or orally

Formulate solutions to organizational challenges in a multicultural and international context, driven by a "European mindset"

Description

Mergers & acquisitions (M&A) are making headlines again. After a substantial drop in takeover activity during the financial crisis, the global M&A market reached new heights in 2021 - with announced deal values totaling \$4,562 billion.

The objective of this course is to provide participants general knowledge on M&A from a corporate finance perspective. After successful completion of the course, students will have a solid understanding of the most fundamental issues and concepts in the M&A field. Without being exhaustive, the following topics will be covered during the course: Reasons for companies to enter the M&A market, takeover motivation theories, wealth effects for acquirer and target shareholders, the takeover process, business valuation, merger arbitrage, and leveraged buyout transactions.

The course will also adopt a practitioner's point of view and layout real-life examples of valuation techniques and tools. Bridging the gap between research and practice, this course is ideal for those interested in M&As and/or willing to work in the M&A industry.

No special knowledge of mergers & acquisitions is required, however general corporate finance know-how and some financial calculation skills (in Excel) would be helpful.

Teaching methods

Face-to-face

- Lectures
- Tutorials

In group

- Projects

- Case studies/texts

Interaction

- Discussions/debates

Others

No items in this list have been checked.

Learning objectives

Cognitive domain

Upon completion of this course, students should be able to

- - (level 4) **figure out** the particularities of LBOs to other forms of takeovers
 - - (level 4) **investigate** theories and reasons for companies to do takeovers
 - - (level 4) **break down** the typical takeover process
 - - (level 5) **determine** wealth effects for acquirer and target shareholder
 - - (level 6) **formulate** merger arbitrage strategies
 - - (level 6) **develop** a deep understanding of the main valuation techniques
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Affective domain

Upon completion of this course, students should be able to

None affective domain have been associated with this course yet

Outline

1. The M&A environment

- Terminologies
- Merger waves

2. Merger reasons

- Reasons advanced by firms
- Merger motivation theories

3. Shareholder wealth effects□

- Events studies□
- Deal announcement returns□
- Freerider problem and merger arbitrage□

4. Takeover process

- Trade sale
- Buyout

5. Business valuation

- DCF
- Multiples

No prerequisite has been provided

Knowledge in / Key concepts to master

- Basic corporate finance know-how
- Key concepts: NPV, WACC, basic accounting, arbitrage
- Calculation skills (in Excel) are helpful

Teaching material

Mandatory tools for the course

- Computer
- Calculator

Documents in all formats

- Photocopies
- Case studies/texts
- Worksheets

Moodle platform

- Upload of class documents
- Interface to submit coursework
- Assessments

Software

No items in this list have been checked.

Additional electronic platforms

No items in this list have been checked.

Recommended reading

Main reading material

Berk and deMarzo, Corporate Finance, Pearson

More reading sources will be provided in class

Additional literature

No reading material has been provided.

EM Research: Be sure to mobilize at least one resource

Textbooks, case studies, translated material, etc. can be entered

No reading material has been provided.

Assessment

List of assessment methods

Intermediate assessment / continuous assessment 1 Exam week

Written / Group / English / Weight : 50 %

Details : Written group work, more details will be provided in class.

This evaluation is used to measure ILO1.1-PGE, ILO1.2-PGE, ILO1.3-PGE

Final evaluation Exam week

Written / Individual / English / Weight : 50 %

This evaluation is used to measure ILO2.2-PGE, ILO4.1-PGE, ILO4.2-PGE