

Number of ECTS credits : 4

Course language : English

Course leader : DEMETRIADES ELIAS , MEZERET THIERRY

Speakers : TSELIKA Maria

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| <div>≡ COURSE DESCRIPTION</div> | |
| <p>Understanding and implementing three valuations techniques:</p> <ul style="list-style-type: none"> - DCF - Comparables - Real Options | |
| <div>≡ COURSE OBJECTIVES</div> | |
| <p>This module addresses the main aspects of business valuation in the current economic context. The first session presents the contexts of the evaluation, the main families of methods and the importance of the evaluation process. Much focus is given to the DCF model with further attention on its two primary inputs: the proper determination of the flows of funds to be discounted and the optimal estimation of the discount factor. While the discount factor is conventionally associated with a risk adjusted cost of capital, such figure is much more challenging to determine in the context of a double complication: the creation of cash flows in multiple, international, markets with unique risk characteristics, as well as the sourcing of funds from investors, financial institutions and financial markets which also differ in their expectations, liquidity and risk profiles. Also, the course explores two different variants of the cash flows to be discounted, one being cash flows to the firm and the other being cash flows directly to equity. Regarding the comparables methods, the focus is on identifying the proper ratio in comparing a company to others in its industry or investment target group, as well is determining what constitutes the proper universe of companies comparable to the one being valued. Peripherally, the course considers valuation through real options, as well as transaction-based valuation. Finally, the course reviews all the methods explored and assesses their applicability in a real world context.</p> | |
| <div>≡ LEARNING OBJECTIVES</div> | |
| <div> <div>C4B learning goal</div> <div>C4B learning objective</div> <div>Outcomes</div> </div> | <div> <div>LG1 - Analysis</div> <div>LO1 - Make use of critical analysis/critical thinking skills</div> <div>Lev. 0 - Niv. 0 - NC</div> </div> |
| <div> <div>C4B learning goal</div> <div>C4B learning objective</div> <div>Outcomes</div> </div> | <div> <div>LG2 - Action</div> <div>LO5 - Evaluate, prevent and manage short, medium and long-term risks</div> <div>Lev. 0 - NC</div> </div> |
| <div> <div>C4B learning goal</div> <div>C4B learning objective</div> <div>Outcomes</div> </div> | <div> <div>LG3 - Entrepreneurship and Innovation</div> <div>LO7 - Identify needs and draw up an appropriate offer</div> <div>Lev. 0 - NC</div> </div> |
| <div> <div>C4B learning goal</div> <div>C4B learning objective</div> <div>Outcomes</div> </div> | <div> <div>LG3 - Entrepreneurship and Innovation</div> <div>LO8 - Take the initiative for projects</div> <div>Lev. 0 - NC</div> </div> |
| <div> <div>C4B learning goal</div> <div>C4B learning objective</div> <div>Outcomes</div> </div> | <div> <div>LG5 - Cooperation</div> <div>LO15 - Act with flexibility, adaptability and intellectual curiosity</div> <div>Lev. 0 - NC</div> </div> |

≡ TACKLED CONCEPTS

Cost of equity in the international context

Cost of debt in the international context

Capital Risk in the international context

Cash flows determination in the international context

Lease and R&D capitalization

DCF methodology

Ratio Analysis in the international context

Transaction comparables valuation

Real Option valuation

≡ LEARNING METHODS

Lectures, discussions, exercises

≡ EXPECTED WORK AND EVALUATION

- Theoretical readings (articles and course material available online) on the theme of the session
- Practice exercises, group project, exams

≡ BIBLIOGRAPHY

Investment Valuation: Tools and Techniques for Determining the Value of Any Asset, 3rd edition - A. DAMODARAN - Wiley Publishers - 2012

Valuation: Measuring and Managing the Value of Companies - MCKINSEY & Co. - Wiley Publishers - 2015 Pierre VERNIMMEN - Dalloz - 2009

≡ EVALUATION METHODS

75 % : Final exam

25 % : Continuous assessment

≡ SESSIONS

1 Investment and value creation : NPV

LECTURE : 03h00

2 Investment and value creation : EBIT, EBITDA

LECTURE : 03h00

3 Working capital

LECTURE : 03h00

4 Evaluation models : Free cash flow

LECTURE : 03h00

5 Evaluation models : Free cash flow, Wacc

LECTURE : 03h00

6 Evaluation based on cash flow : Discounted cash Flow

LECTURE : 03h00

7

Financial ratios

LECTURE : 03h00

8

Ratios calculus in financial transaction

LECTURE : 03h00

9

Asset and liabilities pricing evaluation

LECTURE : 03h00

10

Goodwill and badwill

LECTURE : 03h00

11

Evaluation bases on shares distribution and strategic management

LECTURE : 03h00

12

Evaluation based on shares distribution and strategic decision

LECTURE : 03h00

13

Evaluation based on shares distribution and strategic decision

LECTURE : 03h00

14

Evaluation based on shares distribution and strategic decision

LECTURE : 03h00

15

Evaluation based on shares distribution and strategic decision

LECTURE : 03h00

Number of ECTS credits : 4

Course language : English

Course leader : GIRARD-GUERRAUD CARINE , MEZERET THIERRY

Speakers : GIRARD-GUERRAUD CARINE

≡ COURSE DESCRIPTION

This course deals with the tools, techniques and financial products, debt or equity related, that companies can deploy to finance their growth.

≡ COURSE OBJECTIVES

- understand the financing options that a company can resort to at any of its development stage
- quantify the financing needs for an issuer
- quantify the expected returns from the investors side
- assess the impact of any financing transaction

≡ LEARNING OBJECTIVES

| | |
|-------------------------------|--|
| C4B learning goal | LG1 - Analysis |
| C4B learning objective | L02 - Analyse complex situations |
| Outcomes | Lev. 1 - Identify and examine the various components of a complex situation |
| Details | Problématique de l'étude de cas |
| C4B learning goal | LG1 - Analysis |
| C4B learning objective | L02 - Analyse complex situations |
| Outcomes | Lev. 2 - Formulate hypotheses to understand a complex situation, in a structured way, by mobilizing disciplinary frameworks if necessary |
| Details | partie 1 de l'étude de cas - Analyse du côté émetteur |
| C4B learning goal | LG1 - Analysis |
| C4B learning objective | L02 - Analyse complex situations |
| Outcomes | Lev. 3 - Support one's conclusions and issue well-reasoned recommendations |
| Details | Examen final |
| C4B learning goal | LG2 - Action |
| C4B learning objective | L05 - Evaluate, prevent and manage short, medium and long-term risks |
| Outcomes | Lev. 2 - Determine the potential risks plus the degree of probability and time frame, work out various risk scenarios |
| Details | Analyse de l'impact de la décision de financement sur les risques financiers et de contrôle de l'étude de cas |
| C4B learning goal | LG5 - Cooperation |
| C4B learning objective | L014 - Work effectively in a team |
| Outcomes | Lev. 3 - Demonstrate a commitment to group work, encourage partners and create involvement and adherence |
| Details | Présentation à l'oral de l'étude de cas |

≡ TACKLED CONCEPTS

- signalling theory
- free cash flow
- agency theory
- pecking order

≡ LEARNING METHODS

- case preparation (individual and in class)
- recommended reading and discussions
- real life case studies

≡ EXPECTED WORK AND EVALUATION

For each session, students are expected to prepare for cases to be discussed in class

Evaluation:

- group case study, to be presented in class during the last session
- Final exam, covering two financing propositions

≡ BIBLIOGRAPHY

Vernimmen - Finance d'entreprise - 2020 - Eds Dalloz

Raimbourg - Ingénierie financière, fiscale et juridiques – 2016.

English Biography to be confirmed

≡ EVALUATION METHODS

30 % : Continuous assessment

70 % : Exam

≡ SESSIONS

1

Introduction part 1

BRIEFING : 02h00

Reminder of financial theory concepts, difference between equity, debt, quasi capital etc...

2

Introduction part 2

LECTURE : 02h00

3

Dividend Policy

LECTURE & CASE STUDIES : 02h00

4

Shares Buyback

BRIEFING : 02h00

5

Capital Increase part 1

LECTURE & CASE STUDIES : 02h00

Focuses on New money transactions
Impact on control, EPS, cost of capital

6

Capital Increase part 2

LECTURE & CASE STUDIES : 02h00

7

Quasi capital

LECTURE & CASE STUDIES : 02h00

Convertible bonds & Subscription rights

impact on control and capital structure

8

Leveraged Transactions - LBO

LECTURE : 02h00

Discusses how acquisitions deals can be done through various types of LBO

9

LBOs & return on investment

LECTURE & CASE STUDIES : 02h00

10

LBO closing

LECTURE & CASE STUDIES : 02h00

Wrapping up the LBO discussions with financial balance and shareholders' agreement

11

Public offerings part 1

LECTURE & CASE STUDIES : 02h00

IPO

Privatizations

12

Stock exchange listing

LECTURE : 02h00

-

13

Public offerings part 2

BRIEFING : 02h00

14

Students Group work presentation

INDIVIDUAL OR GROUP WORK : 02h00

15

Students Group work presentation - part 2

INDIVIDUAL OR GROUP WORK : 02h00

Number of ECTS credits : 4
Course language : English
Course leader : MATON ERIC , MEZERET THIERRY
Speakers : MATON ERIC

≡ COURSE DESCRIPTION

This course aims to develop a global perspective on financial analysis, from a strategic approach, an estimation of accounting quality, a recast of financial statements to valuation according to fundamental analysis.

≡ COURSE OBJECTIVES

The aims are:

- be able to link corporate strategy to financial performance,
- be able to analyze quality of accounting information and to adjust accounting figures in function of different accounting methods,
- be able to recast financial statements and to use exhibits for new indicators: net operating assets, invested capital, capital employed, free cash flow, net debt and (recurring) operating profit,
- be able to make links between different classical ratios in financial analysis (ROCE, ROS, asset turnover, operating WC or WC requirement in % of sales, long-term operating assets in % of sales, CFROI, etc.),
- be able to forecast financial statements.

≡ LEARNING OBJECTIVES

| | |
|-------------------------------|--|
| C4B learning goal | LG1 - Analysis |
| C4B learning objective | LO1 - Make use of critical analysis/critical thinking skills |
| Outcomes | Lev. 2 - Formulate a personal and well-informed opinion |

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|-------------------------------|--|
| C4B learning goal | LG1 - Analysis |
| C4B learning objective | LO3 - Use cross-disciplinary approaches |
| Outcomes | Lev. 2 - Select appropriate disciplinary fields to resolve a problem / situation |

≡ TACKLED CONCEPTS

The main concepts are:

- global framework of financial analysis,
- understanding of main differences between IFRS and US GAAP and reconciliation of financial statements under IFRS and US GAAP,
- forecasting financial statements in function of past financial statements (financial modeling) and other relevant information,
- DuPont analysis of return and action levers on return.

≡ LEARNING METHODS

Case studies
Quiz
Chapters reading
Financial modeling under Excel

≡ EXPECTED WORK AND EVALUATION

Reading of chapter from the textbook are necessary before sessions
Preparation of case studies before sessions are compulsory

≡ BIBLIOGRAPHY

Textbook:

Business analysis and valuation IFRS edition, from Palepu, Healy and Peek, Cengage Learning, 5th édition, 2019

≡ EVALUATION METHODS

60 % : Final exam

40 % : Continuous assessment

≡ SESSIONS

1 Financial statements under IFRS and US GAAP (part 1)

BRIEFING : 00h00

Session about the relations between financial statements through the basic business equation (or the balance sheet as an equation)

MCQ during the session

2 Financial statements under IFRS and US GAAP (part 2)

BRIEFING : 02h00

Main categories in P&L (or income statement)

Analysis of the P&L

3 Managerial balance sheet

BRIEFING : 02h00

Transformation of a balance sheet into a managerial balance sheet and comparable categories from one company to other companies

4 ROE decomposition

BRIEFING : 02h00

Comparison of two ROE decompositions

5 Standardized financial statements

BRIEFING : 02h00

New classification of amounts from financial statements into standardized categories allowing comparison between companies

6 Strategies and return analysis

BRIEFING : 02h00

Expected impacts of strategies on Return on Net Operating Assets (RNOA)

7 Cash flow statement analysis

BRIEFING : 02h00

Analysis of the 3 categories of cash

Reconciliation of net profit to operating cash flow

8 Working capital requirement

BRIEFING : 02h00

Working capital requirement (WCR) and WCR impact on return on net operating assets and operating cash flow

9

Accounting adjustments (part 1)

BRIEFING : 02h00

Accounting adjustments and impact on return on equity:
leases
R&D outlay

10

Accounting adjustments (part 2)

BRIEFING : 02h00

Accounting adjustments and impact on return on equity:
revenue,
noncash expense

11

Creation of a financial model (part 1)

BRIEFING : 02h00

Key ratios for a forecasting financial model

12

Financial analysis applied to video game industry

BRIEFING : 02h00

Comparison of Ubisoft, Electronic Arts and Take Two performance

13

Financial analysis applied to European recreational vehicles market

BRIEFING : 02h00

Comparison of Thor, Trigano and Hunyvers performance

14

Business model: customers, strategy and financial impact

BRIEFING : 02h00

Business model innovation case
Canvas model: multiple coherence

15

Presentations

BRIEFING : 02h00

Students by group of 4 people will present a financial analysis of 2 companies in the same industry

Number of ECTS credits : 4

Course language : English

Course leader : MATON ERIC , MEZERET THIERRY

Speakers : PARENTY Anne

≡ COURSE DESCRIPTION

This course looks into the International Financial Reporting Standards (IFRS) and the US Generally Accepted Accounting Standards (GAAP) that are applicable to Mergers and Acquisitions.

≡ COURSE OBJECTIVES

Understand the ideas and concepts from an accounting point of view in the process of M&A. To develop fundamental skills necessary to read and comprehend the information contained in the three main financial statements and notes to look at the issues related to takeovers and buyouts.

≡ LEARNING OBJECTIVES

| | |
|-------------------------------|--|
| C4B learning goal | LG1 - Analysis |
| C4B learning objective | LO2 - Analyse complex situations |
| Outcomes | Lev. 0 - NC |
| C4B learning goal | LG2 - Action |
| C4B learning objective | LO4 - Make proposals, take initiatives |
| Outcomes | Lev. 0 - NC |

≡ TACKLED CONCEPTS

- - Consolidated accounts
 - Contributions valuation
 - Restatements of accounts
 - Conversion of subsidiaries' financial statements
 - Joint Venture, Partnership, Control entity
 - Purchase Price Allocation
 - Minority interests and goodwill
 - Accounting rules on the growth strategy

≡ LEARNING METHODS

Case studies discussion

Readings

≡ EXPECTED WORK AND EVALUATION

Case studies

≡ BIBLIOGRAPHY

Given by Professors

≡ EVALUATION METHODS

40 % : Continuous assessment

60 % : Exam

≡ SESSIONS

1

Accounting Reminders

BRIEFING : 03h00

1st lesson : Accounting reminders

- Role and history of accountancy
- Major accounting structures : balance sheet, income statement, notes to the financial statement
- Registration / bookkeeping process : double entry concept & operation and control of accounts
- General accounting principles and quality of accounts

2

Consolidated financial statements

BRIEFING : 03h00

2nd lesson : Accounting reminders

- Basic accounting posting :
 - Purchases
 - Sales
 - Accruals / provisions
 - Fixed assets
 - Inventories
 - Borrowings
 - Dividends

3

Contribution Value

BRIEFING : 03h00

3rd lesson : Mergers and Acquisitions – Accounting angles

- Accounting of business combinations in standalone accounts :
 - Applicable texts and reference sources
 - Principles for contributions valuation
 - Determining contribution values

4

Business Combinations

BRIEFING : 03h00

4th lesson : Mergers and Acquisitions – Accounting angles

- Accounting of business combinations in standalone accounts :
 - Tax consequences of contribution valuation
 - Accounting mergers / contribution transactions

5

Consolidated Accounts

BRIEFING : 03h00

5th lesson : Mergers and Acquisitions – Accounting angles

- Accounting of business combinations in consolidated accounts
 - Consolidated accounts basis
 - Applicable texts and reference sources
 - Restatements to be performed in individual accounts

6

Conversion of Subsidiaries

BRIEFING : 03h00

6th lesson : Mergers and Acquisitions – Accounting angles

- Accounting of business combinations in consolidated accounts
 - Deferred taxes
 - Conversion of foreign subsidiaries' financial statements

7

Accounting for business combinations

BRIEFING : 03h00

7th lesson : Mergers and Acquisitions – Accounting angles

- Accounting of business combinations in consolidated accounts
 - Elimination of intercompany operations
 - Subsidiaries, partnerships, joint ventures : control evaluation and related accounting treatment
 - Evaluation of control
 - Consolidation on controlled entities
 - Consolidation of partnership
 - Consolidation of joint venture
-

8

Purchase Price Allocation

BRIEFING : 03h00

8th lesson : Mergers and Acquisitions – Accounting angles

- Accounting of a business combination in consolidated accounts : PPA – Purchase Price Allocation
 - Determining the conditions of the purchase
 - Determining the purchase price
 - Identification of assets and liabilities of the acquired entities
-

9

Goodwill and Minority Interests

BRIEFING : 03h00

9th lesson : Mergers and Acquisitions – Accounting angles

- Accounting of a business combination in consolidated accounts : PPA – Purchase Price Allocation
 - Determining minority interests and goodwill
 - Accounting of a business combination in consolidated accounts : impact of the accounting rules on the growth strategy
 - General treatment principles for perimeter operations
 - Additional acquisition / partial sale of an entity
 - Strategic and operational stake
-

10

Common Manipulations

BRIEFING : 03h00

10th lesson : Mergers and Acquisitions – Accounting angles

- Accounting of a business combination in consolidated accounts : the consolidated accounts
 - The summary documents and control documents
 - The most common manipulations
-

Number of ECTS credits : 4

Course language : English

Course leader : MEZERET THIERRY

Speakers : BOSSER Arnaud

COURSE DESCRIPTION

The organization of firms and the foundations of competitive advantage are undergoing a significant change. Cooperation is a path for such change, enabling strategic outcomes and products with lower overhead burdens, smaller scale, faster development cycles, and with more flexibility and customization. However, not only positive outcomes come from strategic alliances. Companies in alliances are at greater risk loss of knowledge, technology, and other valuable resources to opportunistic partners.

Alternative sources for growth notably include merger or acquisition (M&A). Virtually instant growth, prospect of cost savings in non-core activities, economies of scale and scope are all factors that make M&As enticing and rational for parties pursuing the deal. On the other hand, asymmetric information, potential executive power grabs, conflicting corporate cultures, and lack of due diligence constitute threats to the success of these very M&As.

What is to be done in the face of such challenges? The present course will attempt to answer the following burning questions: *when, where*, and *to whom* should a company ally/merger/buy. Students of this course will learn how to: 1) prepare for an alliance or an M&A 3) draw consequences in terms of gains and losses for the different parties involved, and 3) manage the subsequent integration process.

COURSE OBJECTIVES

By the end of the course students will have learned:

- which portions of the value chain should a firm occupy;
- which alliance organizational mode, if any, is optimal for a particular situation;
- how to assess the benefits of an alliance or M&A against its costs and risks;
- how to structure and negotiate alliance and M&A agreements;
- how to succeed in each integration stage.

LEARNING OBJECTIVES

| | |
|-------------------------------|--|
| C4B learning goal | LG1 - Analysis |
| C4B learning objective | LO1 - Make use of critical analysis/critical thinking skills |
| Outcomes | Lev. 0 - Niv. 0 - NC |
| C4B learning goal | LG4 - CSR |
| C4B learning objective | LO10 - Identify and understand stakeholder interests |
| Outcomes | Lev. 0 - NC |

TACKLED CONCEPTS

- Principle differences between M&A and strategic alliances
- VRIO and the motivations for alliances or M&As
- Economies and scale and scope, transaction costs, and interfirm cooperation
- The four archetypes of strategic alliances
- Differential learning in alliances
- Stages in an M&A negotiation process
- Due diligence
- Valuation, acquisition risk map and DCF analysis
- Integration stages and management
- Crosscultural behaviours and exchanges, contextual factors

LEARNING METHODS

Lectures
Case studies
Quiz

≡ EXPECTED WORK AND EVALUATION

tbc

≡ BIBLIOGRAPHY

Primary textbook:

Gomes, E.; Weber, Y.; & Tarba, SY. (2011). *Mergers, Acquisitions, and Strategic Alliances: Understanding the Process* (2011 ed.) Basingstoke: Palgrave MacMillan.

Cases and articles:

Arrunada, B.; Vazquez, X.H., *When Your Contract Manufacturer Becomes Your Competitor* (2006) Harvard Business Review.

Palepu, K.G.; Barnett, J. (2004) *Hewlett-Packard-Compaq: The Merger Decision* HBS cases.

Self-compiled current M&A cases.

Ancillary bibliographic references:

Contractor, F. J.; & Lorange, P. (2002). *Cooperative Strategies and Alliances* (1st ed.). Oxford: Elsevier Science.

Faulkner, D.; & De Rond, M. (2001). *Cooperative Strategy: Economic, Business, and Organizational Issues* (1st ed.) Oxford: Oxford University Press.

Gaughan, P.A., (2015) *Mergers, Acquisitions, and Corporate Restructurings* (6th ed.) London: John Willey.

Hamel, G.; Doz, Y.L.; Prahalad, C.K., Bleeke; J., Ernst; D., Nanda A.; Williamson, P.J.; Gomes-Casseres, B.; Kanter, R.M.; Ghosn, C.; Chesbrough, H.W.; & Teece, D.J. (2003). *Harvard Business Review on Strategic Alliances* (2003 ed.) Boston: Harvard Business School Press.

Suen, W.W., (2005). *Non-cooperation: The Dark Side of Strategic Alliances* (2005 ed.) Basingstoke: Palgrave MacMillan.

Bruner, R.F. (2005) *Deals from Hell: M&A Lessons that Rise Above the Ashes*. (2005 ed.) Hoboken: John Willey.

≡ EVALUATION METHODS

75 % : Final exam

25 % : Continuous assessment

Number of ECTS credits : 4**Course language** : English**Course leader** : MEZERET THIERRY**Speakers** : BOISANTE Benjamin

≡ COURSE DESCRIPTION

Tax

A brief overview of the main aspects of corporate taxation from a French and international context.

The course is focused on the following issues:

- Major tax aspects of M&A operations (tax due diligence and structuring)
- French rules applicable to tax losses (carry forward, carry back, impact of restructurings)
- Tax aspects of intragroup transactions.

Legal Aspects

Distinction between acquisition of social rights, goodwill and assets

Distinction between merger and acquisition

Presentation of the objectives of an acquisition transaction (seller's side, acquirer) Presentation of the participants in an acquisition transaction

Overview of the different ways of selling a company (over-the-counter, open-bid)

General timetable for an acquisition and financing operation

Presentation of the incompressible delays to be taken into account (concentrations, pre-emption rights for municipalities, urban pre-emption right, consultation of IRPs, information for employees, implementation of "preliminary operations"

The confidentiality agreement (CDA / NDA)

The letter of intent (LOI / Term Sheet)

Prior audits (due diligence)

≡ COURSE OBJECTIVES

Tax

The course is designed to make the students:

- Aware of the major tax issues in connection with M&A transactions
- Familiar with basic tax rules applicable to M&A transactions
- Familiar with examples of tax structuring.

Legal Aspects

Students should be able to understand the different legal aspects of mergers and acquisitions

≡ LEARNING OBJECTIVES

| | |
|-------------------------------|---|
| C4B learning goal | LG3 - Entrepreneurship and Innovation |
| C4B learning objective | LO7 - Identify needs and draw up an appropriate offer |
| Outcomes | Lev. 0 - NC |

| | |
|-------------------------------|--|
| C4B learning goal | LG4 - CSR |
| C4B learning objective | LO10 - Identify and understand stakeholder interests |
| Outcomes | Lev. 0 - NC |

≡ TACKLED CONCEPTS

Tax

≡ LEARNING METHODS

Lectures
Case Studies
Quiz

≡ EXPECTED WORK AND EVALUATION

tbc

≡ BIBLIOGRAPHY

The McKinsey Mind: Understanding and Implementing the Problem-Solving Tools and Management Techniques of the World's Top Strategic Consulting Firm - Rasiel

Competition Demystified: A Radically Simplified Approach to Business Strategy - Greenwold

≡ EVALUATION METHODS

75 % : Final Exam
25 % : Continuous assessment

Number of ECTS credits : 4

Course language : English

Course leader : MEZERET THIERRY

Speakers : MEZERET THIERRY , REDOR ETIENNE

≡ COURSE DESCRIPTION

This course is made of two distinct parts:

In the first part, conducted by Etienne REDOR, the aim is to study the financial techniques enhancing value creation in M&As.

In the second part, conducted by Thierry MEZERET, the aim is to understand the role played by investment banks in the M&A process and the value they can add.

≡ COURSE OBJECTIVES

Part 1 - Etienne REDOR's Course

The objectives of the course are (1) to give you a set of tools to facilitate the selection of an appropriate strategy for M&As, (2) to study the financial aspects linked to the value creation in M&As. There are two modules in this part. The first module lays out the basic ideas pertaining to a strategy of corporate development with M&As. The second module relies on the value creation from the financial point of view.

Part 2 - Thierry MEZERET's course

One of the single most important actor on financial markets (and in any M&A transaction) is the investment bank. This part provides an in-depth study of their key functions, their unique roles in influencing corporate strategies, and how the different groups within the bank co-operate to ensure that capital gets from investors to those firms that need it.

≡ LEARNING OBJECTIVES

| | |
|-------------------------------|--|
| C4B learning goal | LG1 - Analysis |
| C4B learning objective | L02 - Analyse complex situations |
| Outcomes | Lev. 3 - Support one's conclusions and issue well-reasoned recommendations |

≡ TACKLED CONCEPTS

Etienne REDOR's Course

An historic overview of mergers and acquisitions

A typology of the deals

Motives and Value creation in mergers and acquisitions

The choice of the Payment method in M&As

How to set the exchange ratio in a stock offer?

The anti takeover defense

Thierry MEZERET's course

Overview of financial markets

Financial regulation and deregulation.

Investment and global banks

Corporate advisory.

IPO, roadshow, bookbuilding, underwriting

Stock exchange regulation, prospectus

Sell- and buy-side processes.

Proprietary and client-related trading.

Sell-side research.

≡ LEARNING METHODS

Lecture

Case studies

Exercices

Practical exercises

≡ EXPECTED WORK AND EVALUATION

Lectures on the conceptual and operational aspects of M&A will be complemented by work in small groups focused on case studies (Etienne REDOR's Course).

≡ BIBLIOGRAPHY

Sudarsanam (2010): Creating value from mergers and acquisitions, The challenges, Prentice Hall.

"Investment Banking, Hedge Funds and Private Equity", by David P. Stowell, 3rd edition, 2017, Academic Press, Elsevier Inc.

Primary reading material: Instructor's slides and textbook

≡ EVALUATION METHODS

50 % : Continuous assessment

50 % : Final exam

≡ SESSIONS

1 Introduction to the Major

BRIEFING : 02h00

This session will be conducted by Thierry Mezeret at the very beginning of the major as a general introduction to the program

2 An historical overview of the M&A market

ON LINE LECTURES : 02h00

The objective of the introduction is to present the content, the functioning and the rules of evaluation of Etienne REDOR's intervention. Secondly, the objective is to describe the characteristics of the main waves of mergers that have taken place in the past as well as the current state of the M&A market.

3 Motives and value creation in M&As

LECTURE : 02h00

The aim of this session is to analyse the motivations and determinants of value creation in M&As. Synergy hypothesis, Agency theory and Hubris theory are presented as motives for M&As and the event study methodology is used to assess the market reaction at the announcement of a deal.

4 Value creation and payment method

LECTURE & CASE STUDIES : 02h00

The objective of this session is to clarify the elements introduced during the first session on value creation in M&As. In particular, the focus is on M&A arbitrage strategies. In a second step, the theoretical aspects related to the choice of payment method are presented: Why do we use cash in some transactions and why do we use stocks in others? What is the advantage of using earnouts and contingent value rights in an offer?

5 Value creation and payment methods / 2

BRIEFING : 02h00

6 Cas BNP-Paribas-SG et fixation du ratio d'échange

LECTURE & CASE STUDIES : 03h00

La première partie de la séance est consacrée à l'étude de la lutte entre la BNP et la Société Générale pour le contrôle de Paribas. Cette opération offre en effet un cadre idéal afin d'expliquer l'impact du choix de la méthode de paiement sur le succès des offres. La deuxième partie de la séance est consacrée aux techniques permettant de fixer le ratio d'échange.

7 Cas Sagem Snecma et méthodes de défense anti acquisition

LECTURE & CASE STUDIES : 03h00

La première partie de la séance est consacrée à l'étude du cas Sagem Snecma afin d'étudier dans un cas réel comment on fixe le ratio d'échange lors d'une offre par échange d'actions. La seconde partie est consacrée à l'étude des mécanismes de défense anti acquisition. Le cas Arcelor-Mittal Steel est utilisé afin d'étudier les conséquences de l'utilisation des mécanismes de défense pour les actionnaires.

8**Présentations orales par les étudiants**ORAL PRESENTATION : 06h00

Les étudiants présentent en groupe un cas de fusion acquisition de leur choix. L'objectif est d'utiliser les concepts et méthodes présentés lors des premières séances afin d'analyser la création de valeur lors d'une opération réelle. Cela permet aux étudiants de montrer qu'ils ont acquis les connaissances et compétences techniques et de développer leur culture financière.

9**Role of financial Institutions - part 1**BRIEFING : 02h00

10**Role of financial Institutions - part 2**BRIEFING : 02h00

11**Role of financial Institutions - part 3**BRIEFING : 02h00

12**Role of financial Institutions - part 4**BRIEFING : 02h00
