

ADVANCED CORPORATE FINANCE

International MBA IMBA-EN SEP-2024 S-FI

Area Finance

Number of sessions: 15

Term: Concentrations

Category: regular

Language: English

Professor: **CONCEPCION MARTIN BERZAL**

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Professor Martín holds an MBA from The Wharton School (University of Pennsylvania), with a dual specialization in finance and strategy. Prior to join IE Professor Martín was part of the advisory team of Price Waterhouse Corporate Finance where she participate in mid-market M&A deals, advising in both divestures and acquisitions, advisory services for private equity firms, management buyouts, strategic and financial services and fund raising. She also worked as a strategic manager consultant at AT Kearney in the automotive, communications and technology industries.

Selected by IE as best professor in 2002, Concepción Martin Berzal combines her passion for teaching with intense research work. She has authored numerous teaching materials and case studies, including "Structuring Repsol's acquisition of YPF", published in the European Case. "I use all the material I prepare in my International MBA classes". Professor Martín is an expert in corporate finance, business valuation, real options and mergers and acquisitions. Her current focus of interest are public tenders. In her own words: "I try to gauge if takeover bids in Spain that have taken place over the last ten years have created value." Currently working as an independent advisor in corporate finance, business valuation, value creation deals through mergers, acquisitions, financing and restructurings.

Academic Background

MBA with a dual specialization in finance and strategy, The Wharton School, University of Pennsylvania (USA)

Degree in Business & Economics, Colegio Universitario de Estudios Financieros (CUNEF)

Professional Background

Strategic Consultant, A. T. Kearney

Associate at Price Waterhouse Corporate Finance

Real state analyst, Banesto

Financial Analyst, Spanish Central Bank

Teaching and Research Experience

Professor of Finance, IE, (1998 - present)

Author of numerous teaching notes, teaching material and case studies, like "Structuring Repsol's acquisition of YPF", The firm's capital structure as a source of value creation and Valuing Tech Firms through real options.

Office Hours

Office hours will be on request. Please contact at:

conchita.martin@ie.edu

SUBJECT DESCRIPTION

The course is appropriate for students who intend to

- Pursue a career in Investment banking or private equity, this course will provide you an overview of these industries, revealing their key functions and unique role in wealth creation, the significant impact they have in corporations and the risks and opportunities in the post crisis world.
- Pursue a career as a strategic, business development or financial manager. This course will give you the solid financial foundation that is an essential tool for success. It will give a practitioners' perspective on how to link strategy and finance to make successful deals and create value through mergers and acquisitions.
- Become entrepreneurs running successful companies since this course will help you to understand business development from different perspectives and to be aware of the investments and financing alternatives available for an entrepreneurial venture.

LEARNING OBJECTIVES

The goal of this course is to learn to link strategy and financial decisions with a real world focus. In order to deep into the study the major decision-making areas of Corporate Finance the course is divided in three modules:

- Mergers and acquisitions
 - Learn to identify value creating deals and to understand the process and risks of mergers, takeovers and buyouts.
 - Test your valuation skills and apply the different valuation approaches to M&A transaction and LBOs
 - Learn the differences between all equity transactions and cash deals
 - Challenge your negotiation skills
 - Evaluate M&A deals considering not only financial returns but also environmental, social, and governance factors
- Capital Markets and financing alternatives
 - Understand how capital markets have reshaped after the global financial meltdown
 - Learn the different financing alternatives for private and public businesses
 - Introduction of ESG funds and green bonds as the driver of investments
- Private Equity and Venture Capital
 - Overview the industry form deal sourcing to exit
 - Learn the dynamics of venture capital, growth equity and buyout transactions.
 - Use leveraged Buyouts as an acquisition tool
 - Distil the essence of PE from operational value creation to risk management

TEACHING METHODOLOGY

- CASES

Case analysis will allow us to build a bridge between technical foundations and its application to real companies and deals successfully. You will develop your practical judgement skills and experience the difficulties that arise in constantly evolving world.

- SIMULATION

We will play an M&A simulation. This team-based simulation teaches core principles of valuation, M&A strategy, and negotiation. You will play the role of a management team at one of three corporations. Teams determine reservation prices, value targets, and negotiate over deal terms before they must decide to accept (or reject) final offers.

- BLOOMBERG CERTIFICATE PROGRAM

Through the course you will have to complete Bloomberg Market Concepts Program. It is an e-learning course that provides a visual introduction to the financial markets. This course will bring the markets into the classroom and will give you a recruiting edge by adding their certificate of completion to your resume.

Learning Activity	Weighting
Lectures	20.0 %
Discussions	25.0 %
Exercises in class, Asynchronous sessions, Field Work	15.0 %
Group work	20.0 %
Individual studying	20.0 %
TOTAL	100.0 %

AI POLICY

Generative artificial intelligence (GenAI) tools may be used in this course with appropriate acknowledgement. GenAI may not be used for assignments, group submissions or exams. If a student is found to have used AI-generated content inappropriately, it will be considered academic misconduct, and the student might fail the respective assignment or the course.

PROGRAM

MERGERS & ACQUISITIONS

SESSION 1 (LIVE IN-PERSON)

THE MERGERS AND ACQUISITION PROCESS

Technical note: Finance Reading: The Mergers and Acquisitions Process (HBS 5242-PDF-ENG)

Article: The artful synergist (McKinsey & Company)

- Lecture on the M&A acquisition process
- Introduction to Bloomberg Market Concepts Program

SESSION 2 (LIVE IN-PERSON)

M&A DEALS: TESLA-SOLARCITY

Practical Case: Tesla-SolarCity (HBS 218108-PDF-ENG)

Article: The Six Types of Successful Acquisitions (McKinsey and Company)

SESSION 3 (LIVE IN-PERSON)

FRIENDLY & HOSTILE TAKEOVERS

Practical Case: LVMH: The Tiffany Acquisition (HBS UV8480-PDF-ENG)

SESSION 4 (LIVE IN-PERSON)

FINANCIAL MODELING IN M&A

Technical note: Business Valuation in Mergers and Acquisitions (HBS UV6759-PDF-ENG)

Technical note: Evaluating M&A Deals: Accretion vs. Dilution of Earnings-per-share (HBS 208059-PDF-ENG)

- Introduction to the Pre-game assignment for the M&A simulation (SESSION 5)

SESSION 5 (LIVE IN-PERSON)

SIMULATION: NEGOCIATING M&A TRANSACTIONS

Multimedia Material: Finance Simulation: M&A in Wine Country V2 (HBS 4805-HTM-ENG)

- PRE GAME ASSIGNMENT IS DUE BEFORE CLASS (by email)

SESSION 6 (LIVE IN-PERSON)

NEGOCIATING M&A TRANSACTIONS

Own Material: Epilogue

- Debriefing of the M&A simulation

CAPITAL MARKETS AND FINANCING ALTERNATIVES

SESSION 7 (LIVE IN-PERSON)

DEBT FINANCING ALTERNATIVES AND WALL STREET INNOVATION

Technical note: Convertible Securities (HBS 202129-PDF-ENG)

Practical Case: Apple Inc.: The Second Green Bond (HBS UV8644-PDF-ENG)

SESSION 8 (LIVE IN-PERSON)

FINANCIAL OPTIONS AND THEIR APPLICATION TO CORPORATE FINANCE

Technical note: Finance Reading: Financial Options and Their Application to Corporate Finance (HBS 5197-PDF-ENG)

SESSION 9 (LIVE IN-PERSON)

MANAGING INTERNATIONAL RISKS

Technical note: Hedging with Forwards and Futures (HBS UV2519-PDF-ENG)

Practical Case: Pixonix Inc. - Addressing Currency Exposure (HBS 908N13-PDF-ENG)

PRIVATE EQUITY AND VENTURE CAPITAL

SESSION 10 (LIVE IN-PERSON)

PRIVATE EQUITY AND VENTURE CAPITAL OVERVIEW

Brealey&Mayers- Chapter 32 on Corporate Restructuring

Technical note: Entrepreneurship Reading: Financing Entrepreneurial Ventures (HBS 8072-PDF-ENG)

Technical note: The Basics of Private Equity Funds (HBS UV6986-PDF-ENG)

SESSION 11 (LIVE IN-PERSON)

PUBLIC TO PRIVATE DEALS

Practical Case: Elon Musk's Twitter Deal: Valuation and Financing of the Leveraged Buyout (HBS W30166-PDF-ENG)

Article: The Six Types of Successful Acquisitions (McKinsey and Company)

SESSION 12 (LIVE IN-PERSON)

FINANCIAL MODELING IN PRIVATE EQUITY

Technical note: Valuing Late-Stage Companies and Leveraged Buyouts (HBS UV7578-PDF-ENG)

SESSION 13 (LIVE IN-PERSON)

DOING DEALS IN PRIVATE EQUITY

Practical Case: Blackstone Group: Dry Powder in an LBO Drought (A) (HBS W20532-PDF-ENG)

Technical note: Blackstone Group: Dry Powder in an LBO Drought (A)-Student Spreadsheet (HBS W20534-XLS-ENG)

SESSION 14 (LIVE IN-PERSON)

DIVESTURE ALTERNATIVES AND IPOS

Technical note: Private Equity Exits (HBS 213112-PDF-ENG)

Technical note: All Things IPO Communication (HBS UV8557-PDF-ENG)

Practical Case: Spotify's Direct-Listing IPO (HBS W18228-PDF-ENG)

Practical Case: Facebook, Inc.: The Initial Public Offering (HBS W12453-PDF-ENG)

SESSION 15 (LIVE IN-PERSON)

FINAL EXAM

EVALUATION CRITERIA

criteria	percentage	Learning Objectives	Comments
Class Participation	20 %		
Workgroups	20 %		Simulation
Workgroups	20 %		Bloomberg
Final Exam	40 %		

FAILING GRADE AND REASSESSMENT

When students receive a Fail in a course, they have the opportunity to present themselves for reassessment in order to earn the necessary credits toward graduation.

The reassessment of students should be scheduled between 5 and 10 working days after the review session takes place.

Grades for the reassessment are limited to a Low Pass and Fail.

Both, the initial Fail as well as the grade of the reassessment remain on the transcript. For the purpose of calculating the GPA however, only the grade of the reassessment is to be considered. Students receiving a failing grade in the reassessment of a course will not be able to continue in the program.

BIBLIOGRAPHY

Compulsory

- Richard Brealey (Author), Stewart Myers (Author), Franklin Allen (Author), Alex Edmans. (2022). *Principles of Corporate Finance 14th Edition*,. 14th. Mc Graw. ISBN 9781265074159 (Digital)

Recommended

- Paul Pignataro. (2015). *Mergers, Acquisitions, Divestitures, and Other Restructurings*. 1ST. Wiley. ISBN 1118908716 (Printed)

- Claudia Zeisberger , Michael Prah, et al.. (2017). *Mastering Private Equity: Transformation via Venture Capital, Minority Investments and Buyouts*. 1ST. Wiley. ISBN 1119327974 (Printed)

- McKinsey & Company Inc., Tim Koller , et al. |. (2020). *Valuation: Measuring and Managing the Value of Companies*. 7TH. WILEY FINANCE. ISBN 9781119611868 (Printed)

BEHAVIOR RULES

Please, check the University's Code of Conduct [here](#). The Program Director may provide further indications.

ATTENDANCE POLICY

Please, check the University's Attendance Policy [here](#). The Program Director may provide further indications.

ETHICAL POLICY

Please, check the University's Ethics Code [here](#). The Program Director may provide further indications.

