Restructuring Services

Keeping pace with markets
We work shoulder-to-shoulder with your company’s management, stakeholders and lenders at every level. Our multidisciplinary team of restructuring professionals delivers result-oriented measures to protect, create and maximize value throughout all stages of a corporate crisis from concept development to implementation and monitoring.
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What we do

We deliver a broad range of multidisciplinary advice on strategy, turnaround management & financial restructuring, performance improvement and reorganization.

KPMG supports its clients in all phases of a corporate crisis from concept design to implementation. We offer you a multidisciplinary team with the right combination of experienced advisors from corporate restructuring, corporate finance, mergers & acquisitions (M&A), legal, tax and business consulting. Our approach is always tailored to your individual circumstances and requirements. We help you review and realign your business strategy, improve your performance and deal with all involved stakeholders and distress situations.

We have a proven track record helping companies master situations such as dealing with troubled strategic suppliers or acquiring distressed assets. We also deliver in-depth experience advising financial investors on the management of non-performing loans or investments.
Our core services

Strategy
Markets evolve. Industrial, trading and service companies face new challenges every day. In times of continuous change and market development, a focus on fundamental business performance is needed to achieve improved, sustainable results. We can help you to increase your competitiveness by optimizing your business model and ensure the strategic fit of current and potential market propositions and your operating model.

Operational restructuring & performance improvement
Businesses change. Sometimes, it is necessary to restructure operations to stay ahead. Based on readjustments of the strategy (business model) we help you to realign and optimize your organizational structures and business processes to ensure you meet your strategic objectives. Should your business find itself in a turnaround situation, we help you form operational restructuring plans and initiate all necessary actions to quickly stabilize and improve the business situation. Once the crisis has been overcome and sales and profits are back on track, our operational restructuring service offering establishes a powerful culture of continuous improvement. We also help reorganize a company to make operations as effective and efficient as possible.

Turnaround management & financial restructuring
Turbulent times are a fact of life. We work with management to stabilize the situation, protect values and turn around the results of underperforming or distressed businesses starting from Day-1 of our involvement. Our approach is specifically designed to meet our clients’ needs. Should the situation require it, you can also leverage on our experience with the new Swiss debt-moratorium procedures.

In distressed situations, stakeholder confidence is key. Yet it can often be impaired by a company’s financial difficulties. Additional information prepared by independent advisors is usually required by lenders and investors in order to facilitate decisions. We bridge the information gaps between available and required information with an approach that is always customized to your individual situation.

Lender Advisory
Credit exposure can lead to the risk of losses. This is especially the case for institutions active in commercial lending. We help lenders undertake a swift and reliable analysis of the situation to develop a recovery strategy and ‘Plan B’. We also provide comprehensive support in the negotiation and implementation phase of the recovery strategy.

Stakeholder/Investment Advisory
The risk of default is an unfortunate reality. When it’s by a strategically important supplier or business partner it can severely impact your supply chain and give rise to adverse financial and operational impacts. We can assist in swiftly analyzing suppliers’ financial and operational positions, developing and implementing a strategy to reduce financial risks and supply chain interruptions.

Business closure & insolvency services
Situations may arise in which a company no longer strategically fits the group or a turnaround is unfeasible. Such situations can call for a controlled business closure. Our cross-border, multidisciplinary teams of operational restructuring, legal and tax experts help you develop scenarios and identify the path that will maximize existing value.
Who we are

KPMG Restructuring Switzerland is a part of our Advisory practice which consists of over 250 professionals. Our multidisciplinary team delivers result-oriented measures to protect, create and maximize value throughout all stages of a corporate crisis from concept development to implementation and monitoring measures.
Strategy

Our approach to strategy review starts with setting the financial ambition for the company including growth, cost efficiency, profitability, return on investment (ROI) and risk appetite, while considering each element’s impact on the business and operating model.

**Business model**
The business model delivers revenues. Current and potential market, proposition and brand, as well as other strategic dimensions are evaluated for strategic fit, competitiveness and materiality of contribution. Most organizations fail to achieve their financial aspirations because of misalignment between their business and operating models.

**Operating model**
The operating model is critical to the cost-effective delivery of propositions and client management through core business processes. It includes operational and technology infrastructure, organizational structure and governance, as well as people and culture. Platform and system decisions are key to driving long-term cost efficiencies and operational effectiveness.

**Business processes**
Core business processes are the lynchpins between the business model and operating model. They include product development and management, business development, client service models, communication and operational processes.

**Our approach: KPMG 9-Levers of Value**
The process begins with an articulation of financial performance targets and parameters (appetite for investment and risk, etc.) given their fundamental impact on strategy.
Our operational restructuring services focus on the development and implementation of new business architectures, very often in the context of turnaround cases and change management.

We start an operational restructuring program with a quick as-is assessment to obtain the required clarity at the very beginning of a project. A swift strategy check-up ensures that the operational restructuring steps are fully aligned with the business strategy. Based on clear strategic objectives, our multidisciplinary teams identify the most relevant performance issues, define improvement projects, and consequently plan and implement them. Robust project management continuously monitors progress achieved and initiates corrective actions in the event of issues or risks.
We understand that critical company situations require rapid, hands-on advice and implementation support to stabilize the situation. This first step is followed by analysis, design, implementation and monitoring.

Stabilization
Get control by forecasting and monitoring cash; gain time by negotiating with borrowers and suppliers; elaborate and implement cash generating measures; and manage the company, board of directors and management’s legal risks.

Analysis and design
Analyze the current situation and identify the causes of the crisis. Guide management through the process of a strategy review and appraisal as the basis for designing a comprehensive restructuring plan that includes a target operating model, process and organizational design and financial measures.

Implementation and monitoring
We stay on board with management until implementation is completed. We provide progress reports to all stakeholders.

Our approach
Financial restructuring

Our approach helps management regain control and trust from lenders and investors. It also provides transparency to stakeholders and supports the required negotiations.

Cash flow Advisory*
In distressed situations, the first step for a company is to perform a quick but thorough assessment of the short-term cash situation and forecast (typically 13 or 17 weeks). On this basis, and the analysis of stakeholders’ positions, consensus on next steps is reached. We also assist in the preparation of cash-generating measures.

Independent Business Review
We close the gaps between available and required information by preparing business reviews for lenders and investors. The scope of work is defined by standards (i.e. IDW S6) or customized depending on the individual situation and can include strategy review, management evaluation, analysis of past financial performance and position, business plan review, assessment of restructuring options and measures, etc.

Financial restructuring*
We support management’s negotiations with existing lenders and other stakeholders and advise on raising new debt financing or refinancing.

* Cash flow Advisory and financial restructuring are modules of our turnaround management services.

Our approach

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<th>Short-term cash flow forecast (13 or 17 weeks)</th>
<th>Independent business review (IBR)</th>
<th>Stakeholder negotiations</th>
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![Diagram of Independent Business Review](image-url)
Lender Advisory

We help lenders perform a swift and reliable situation assessment to develop their recovery strategy and “Plan B”. Furthermore, we provide comprehensive support in the negotiation and the implementation phase of the recovery strategy:

/ Support during the analysis and elaboration of the recovery strategy as well as analysis of the borrower’s submitted restructuring concept
/ Proposal of immediate actions and assessment of recovery strategies to cap potential losses
/ Implementation of the recovery strategy

Our approach
We have a strong track record in helping strategic or financial investors to assess potential (distressed) investment opportunities and to advice companies in managing their supplier risks through:

- Executing swift analyses of suppliers’ financial and operational situations
- Developing and assessing options to reduce financial and supply chain risks
- Supporting the implementation of the resultant plan

Our scope of work and extent of reporting are tailored to our client’s particular needs and situation.

Our approach

### High-level company analysis

1. Business overview
2. Causes of the crisis
3. Brief historical financial analysis
4. Restructuring concept review
5. Short-term cash flow analysis / forecast
6. Analysis of the business plan

### Options and recommendations

1. Elaboration and evaluation of strategic options (preservation of business relationship)
2. Elaboration of a “Plan B” (sourcing alternative to existing partner)
3. Evaluation of options and recommendations

### Implementation support

1. Implementation planning
2. Preparation of negotiation
3. Elaboration of legal documentation
Business closure & insolvency services

We help assess a client’s situation and advice in developing a roadmap to discontinue operations, dispose of assets and repay liabilities by:

/ Identifying and assessing the company’s legal risks and the board of directors’ and management’s personal liability risks
/ Advising the board of directors and management on their legal duties and personal liability risks
/ Determining viable options to dissolve the business and liquidate the entity, including operational wind-down scenarios and assessment of potential results from asset disposals

Our approach

Analysis of the initial position and historical financials

• Assessment of the financial position, legal agreements and risks and off-balance sheet commitments / liabilities
• Determination of viable options including operational wind-down scenarios

Planning and preparation

• Operational plan to wind down the company and reflection in a financial projection and cash flow plan, assessment of tax implications, as well as negotiations with debtors and stakeholders
• Preparation of legal documentation
• Execution of asset disposals and delisting
KPMG TrAction

Our effective and efficient implementation tool

The challenge: Project management

- Complex projects with a variety of (decentralized) data and information
- Restricted measurement of the profit contribution of individual measures
- Lack of efficiency in the preparation of status reports
- Missing responsibilities and lack of transparency: “Who, what, why, when, how?”
- Reporting obligations to shareholders, financial institutions and investors

Our approach

- Web-based tool, operated in the KPMG-Cloud
- Comprehensive transparency of the implementation status and success of individual measures, packages of measures and the overall project
- Simple coordination of many participants, also across companies
- Minimizing the administrative burden due to easy and intuitive handling

Our tool: Core elements of KPMG TrAction

Project structure

- Pyramidal project structure with multiple hierarchy levels
- Rights concept (view corresponding authorization)
- Uniform logic across all hierarchy levels

Automatic reports

- Automated reports in PPT in your corporate style
- Deposited reporting formats available at all levels
- Detailed reports in Excel, filter function and full data export

Activities

- Scheduling is done at the level of activities
- Clear responsibilities (at all hierarchy levels)
- Traffic-light logic for the period of implementation
- Data import and export

Quantified effects

- Quantification (P&L, BS, CF, non-financial KPIs)
- Tracking of effects throughout planning period
- Traffic-light logic for achievements of objectives
- Data import and export
We thank all our clients for their trust in our Restructuring expertise.
Restructuring Services

**Turnaround management & financial restructuring**

**Family business in the food industry**

**Turnaround Advisory**

KPMG supported an owner-managed family business in the food industry with liquidity problems. KPMG advised the management and the BoD of the company on a brief analysis, liquidity stabilization, review of the corporate strategy and the elaboration of a comprehensive restructuring program including financial planning, negotiations with creditors and stakeholders as well as in the operational implementation.

**Family business in the automation industry**

**Turnaround Advisory**

KPMG conducted an independent business review (IBR) of the current financial situation of a family-owned company on behalf of the company’s board of directors. The IBR served as the basis for negotiations with the banks to take out a syndicated loan and to fulfil the independent validation obligation under the existing standstill agreement. We analyzed the mid-term plan and including analysis of the business and operating model, the company’s organization as well as the identification of the value drivers.

**International Fashion Chain**

**Financial Advisory**

KPMG was on behalf of a bank syndicate mandated to review the existing short-term cash flow forecast (STCFF) of an international fashion chain facing liquidity issues. Furthermore, KPMG advised on working capital and process improvements to support the company to ensure the STCFF is a reliable tool to predict and manage through tight liquidity periods.

**Family owned tool manufacturer**

**Financial Advisory**

KPMG carried out an objective assessment (Independent Business Review) of the current economic and financial situation of the family business on behalf of the company’s Board of Directors, which served as the basis for negotiations with a debt capital fund to raise a bridging loan.

**Family business in the food industry**

**Turnaround Advisory**

KPMG supported a medium-sized service provider with liquidity problems. KPMG advised the company’s management and board with the sale of the part of a company in the high-precision tool manufacturing business in a debt moratorium. The M&A process was under high time-pressure due to the threat of key employee leaving, as well as due to the liquidity situation. KPMG developed a target operating model and a business case for the transferring assets and managed the transaction with several bidders.

**International Fashion Chain**

**Strategy & Financial Advisory**

KPMG advised a global organization in financial difficulties. We analyzed the company and the market and identified several restructuring options on a strategic, financial and operational level.

**Swiss real estate company**

**Strategy & Turnaround Advisory**

KPMG provided advice to an exhibition hall operator in financial difficulties. We analyzed the company, its real estate complex as well as its market and identified several restructuring options from a strategic, financial and operational perspective.

**International education organization**

**Strategy & Financial Advisory**

KPMG advised a global organization in financial difficulties. We analyzed the company and the market and identified several restructuring options on a strategic, financial and operational level.

**Swiss fashion chain**

**Turnaround & Financial Advisory**

KPMG provided support to a Swiss fashion chain with severe liquidity problems in analyzing the as-is situation as well as providing turnaround and legal advice. The company was first stabilized by initiating a provisional debt restructuring moratorium with the waiver of public notification and then subsequently restructured and reorganized.
**International school**

**Process Analysis**
KPMG supported an international school in identifying and documenting key business processes and assessing them with regard to importance, maturity and criticality.

**Media company**

**Procurement Optimization**
KPMG supported a Swiss radio and television company in a cost savings initiative focused on procurement and the optimization of several internal processes.

**Public real estate agency**

**Strategy & Reorganization**
KPMG provided support to a public real estate agency on the reorganization of the property management. KPMG provided independent advice on the reorganization by analyzing options and offering a recommendation and detailed implementation support.

**Swiss manufacturing company**

**Procurement Optimization & Change Management**
KPMG advised a manufacturing company on a series of cost saving initiatives in the areas of procurement and operations including production and logistics. The mandate focused on securing sustainable cost savings with KPMG driving extensive change management at strategic, structural and operational (processes) levels.

**Swiss listed company**

**Cost Savings Program**
KPMG supported a Swiss group in the implementation of a cost reduction program specific to third-party spend (indirect and services). A percentage of savings in the double digits was realized and exceeded the client’s targets.

**Industrial manufacturer**

**Strategy & Turnaround Advisory**
KPMG reviewed the strategic options of a loss-making industrial manufacturer and advised on further alternative options. In the second phase, KPMG led the PMO activities, facilitated the elaboration and planning of a strategic option and advised steering committee and management. Finally, we prepared a comprehensive business & financial model and planned the implementation of the turnaround measures.
KPMG evaluated the short- and medium-term options including related opportunities and risks for a public agency in regard to a subsidized service provider in financial difficulties.

**Public agency**

**Contingency Planning**

KPMG advised a listed universal bank on the as-is analysis and recovery of a loan in multiple jurisdictions. KPMG advised the bank in the implementation of immediate measures and provided support throughout the loan recovery.

**Listed universal bank**

**Lender Advisory (Recovery)**

KPMG advised a listed universal bank on a recovery situation involving a private equity firm in Germany, Luxembourg and Switzerland. KPMG provided lender advice from the analysis (financial, legal, real estate) to the successful development of a recovery strategy.

**Listed universal bank**

**Distressed Supplier Advisory**

KPMG assisted the client regarding a strategic supplier in distress. KPMG performed an analysis of the historical financial position and earnings, as well as the business and cash flow plan, reviewed the envisaged restructuring measures and assisted the client in elaborating strategic options as well as in negotiations.

**Swiss fashion company**

**Distressed Supplier Advisory**

KPMG supported a leading Swiss food company in assessing the financial situation of a strategic supplier with severe liquidity issues and evaluated options from the client’s perspective.

**Leading Swiss food corporation**

**Distressed Supplier Advisory**

KPMG assisted a leading Swiss food company in assessing the financial situation of a strategic supplier with severe liquidity issues and evaluated options from the client’s perspective.

**German fashion company**

**Distressed M&A buy-side**

KPMG advised a German fashion retail company with around 300 stores on financial, legal and tax aspects in the acquisition of a Swiss fashion retail chain in a turnaround situation. The transaction was executed under the new debt moratorium procedure.

**Swiss fashion company**

**Distressed M&A buy-side**

KPMG advised a German fashion retail company with around 300 stores on financial, legal and tax aspects in the acquisition of a Swiss fashion retail chain in a turnaround situation. The transaction was executed under the new debt moratorium procedure.

**German fashion company**

**Distressed M&A buy-side**

KPMG advised a German fashion retail company with around 300 stores on financial, legal and tax aspects in the acquisition of a Swiss fashion retail chain in a turnaround situation. The transaction was executed under the new debt moratorium procedure.

**Our credentials are kept confidential and anonymous to respect the wishes of our clients and their financial investors. If you would like further information, we’re always able to share specific references or access to the executives with whom we have successfully worked with.**
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