

Our team is focused on minimizing operational disruption to preserve and create value through a carve-out or spin-off. From design through execution, we work side by side with owners and management from deal execution to Day One readiness and stand-up.

WHY FTI

Industry and Functional Approach

We couple our deep industry experiences with practice-level expertise across complex transactions.

Hands-on Working Style

We work alongside management, bringing senior teams that roll up their sleeves to “get it done.”

Unbiased Viewpoint

We are candid and honest, offering an independent and neutral perspective.

Focused on Value Creation

We leverage a proven, but tailored, methodology for both speed and efficiency.

Conflict Free

We are not auditors, and therefore are not bound by independence or conflict issues.

Typical Client Concerns We Address

- *“Lack of proper carve-out due diligence leads to missed standalone or separation requirements.”*
- *“Disruption of day-to-day operations leads to issues with customers, vendors, or internal stakeholders.”*
- *“Poorly negotiated TSA misses key terms and lacks clarity or flexibility to support NewCo’s stand-up efforts.”*
- *“Losing key talent, institutional knowledge, and potential lack of senior leadership alignment.”*
- *“We need assistance with IT systems/processes to ensure a smooth separation from OldCo”*
- *“This is an opportunity to instill best practice; how do we do that and avoid disruption?”*

CLIENT SUCCESS STORIES



TRINSEO

Private Equity Carve-out and NewCo Stand-up

- FTI Consulting was hired to support both the carve-out and stand-up of multiple back-office functions of a \$60 billion conglomerate, in which the majority of the corporate function employees would remain with the seller. We served as the Interim Treasurer, Controller and FP&A leader post-close.
- Our work ensured a smooth transition for NewCo, successfully transitioning from a sub-division of a public company to a standalone entity.



Carve-out and Public Company Stand-up

- FTI Consulting was engaged to assist the treasury organization of the \$10 billion equipment and transportation company to assess the liquidity, leverage and ratings impact of various strategic actions, including a spin-off and other asset monetization and capital allocation decisions.
- FTI Consulting helped bolster analysis, reporting, forecasting and budgeting capabilities while interviewing, hiring and transitioning these tasks to new employees.



Carve-out and NewCo Stand-up

- Entercom hired FTI Consulting to support integration planning related to its acquisition and separation of CBS Radio. FTI Consulting partnered with management to design the operational integration of the two companies, identifying revenue and cost synergy opportunities across all core business functions and cost centers.
- The integration plan identified more than 4X the initial synergies anticipated.

We work with clients at any point along the carve-out lifecycle to drive value.

SELL-SIDE

Disentanglement and Separation Analysis

- Conduct disentanglement, stand-alone and separation analyses: dedicated, shared, and allocated assets/resources
- Develop high-level separation plan
- Support the build-out of the data room
- Support the sale process and required filings

TSA Development

- Define scope/duration of TSA services to NewCo
- Support development and drafting of initial TSA schedule and master TSA legal agreement
- Analyze associated cost/service within TSA
- Identify and verify services included inside/outside TSA scope

Separation Readiness

- Develop detailed standalone and one-time cost models and evaluate potential stranded costs
- Establish separation roadmap
- Review process/system dependencies
- Operationalize TSA and establish governance process
- Assess RemainCo's future state requirements and organization structure

Separation Execution

- Develop plan to mitigate stranded costs post-TSA
- Optimize post-spin RemainCo staff
- Promote use of existing services
- Reduce excess costs in RemainCo footprint

BUY-SIDE

Carve-out Due Diligence

- Assess stand-alone structure and costs
- Analyze separation costs
- Analyze services requiring seller support
- Support TSA validation and negotiation
- Perform IT due diligence

Day One and TSA Readiness Planning

- Plan Day One and separation milestones
- Review critical contracts and licenses
- Establish critical Day One requirements
- Develop communication and change management strategy
- Create plan for services not in TSA scope
- Operationalize the TSA

NewCo Stand-up

- Design and execute Stand-up plan for key functions (e.g. Finance, IT, HR, etc.)
- Review systems and processes
- Draft policies and procedures
- Benchmark to industry best practices
- Optimize organization structure
- Provide surge resources and/or serve as interim management

Value Capture

- Develop value capture plan
- Create savings and cost reduction models
- Optimize day-to-day operations
- Execute plan for TSA unwind and exit
- Align financial reporting to stakeholder requirements
- Evaluate profitability improvement

Divestiture
Decision

Buyers
Selected

Sign

Regulatory
Approval

Close

TSA Exit

Value
Capture

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EXPERTS WITH **IMPACT**™

About FTI Consulting

FTI Consulting, Inc. is a global business advisory firm dedicated to helping organizations protect and enhance enterprise value in an increasingly complex legal, regulatory and economic environment. FTI Consulting professionals, who are located in all major business centers throughout the world, work closely with clients to anticipate, illuminate and overcome complex business challenges in areas such as investigations, litigation, mergers and acquisitions, regulatory issues, reputation management and restructuring.

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