

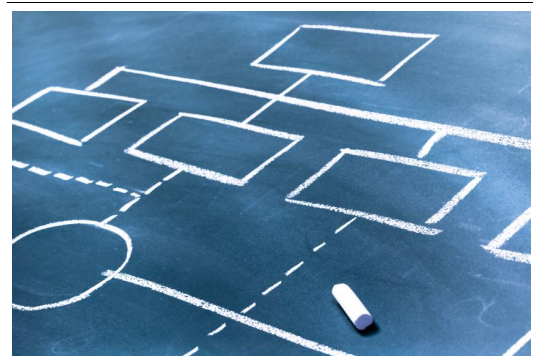
Restructuring and turnarounds

Update | **19 July 2017**

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- A restructuring may be the best path when a company sees an urgent need to turn around its fortunes, improve its reputation, or restore its competitive position.
- A well-executed restructuring or turnaround can transform a company into a strong competitor with dramatically improved financial results.
- We identify companies that are currently undergoing restructurings that we believe have a high probability of success. We believe the stocks of these companies could outperform the broader market in the next one to two years.



Source: iStock

Synopsis

A restructuring marks a challenging and sometimes disruptive time in the history of any corporation that has ever undertaken one. Managements rarely aspire to undergo a restructuring. The process can entail major changes in the organizational structure, staff, asset base/product line, or cost structure. History tells us that a positive outcome is not assured, as not all restructuring plans are carried out effectively.

A successful restructuring begins with a vision and an achievable strategy for implementation. A well-executed restructuring or turnaround can transform a company that is weighed down – by an inferior product line, a heavy debt burden, inefficient operations, or a damaged reputation – into a strong competitor with dramatically improved financial results.

In our view, restructuring stories can be compelling investment ideas. For investors in this theme, we identify companies that are currently undergoing restructurings that we believe have a high probability of success. If successful, we believe the stocks of these companies could outperform the broader market in the next one to two years.

A version of this report is available with specific security recommendations for the US onshore investors. For a copy, please consult your UBS Financial Advisor

Appendix

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Version as per May 2017.

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