



Dr. Wieselhuber & Partner GmbH
Unternehmensberatung



Strategic
options
for your
business



**Restructuring of underperforming
subsidiaries & business units**

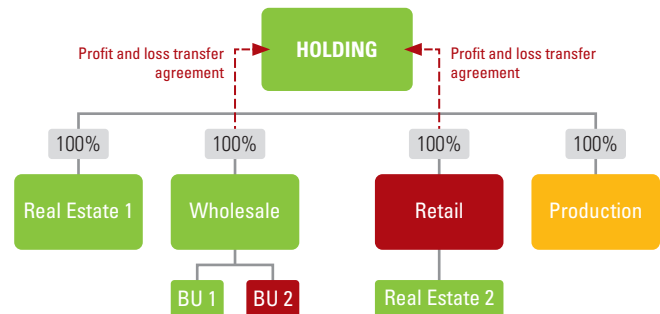
Underperforming subsidiaries

How to remove profit barriers

Underperforming business units and subsidiaries pose significant challenges for companies: Tied up capital and management resources often require cross-subsidisation from profitable operations. This situation **undermines the competitiveness of the core business** and jeopardises the company's **long-term viability**. Relevant data and insights on underperforming or loss-making entities are typically available and recognised by decision-makers. However, **what is often missing are actionable strategic options (option matrix)** and alignment between management and shareholders regarding the appropriate course of action for these subsidiaries.

As a result, inaction leads to a decline in operational efficiency and overall profitability, whereas only decisive actions facilitate tangible value creation. Still, **organisational inertia** remains a powerful force in many companies:

- **Emotional attachment to legacy business** hinders objective assessment and thorough decision-making
- **Operational performance initiatives** are repeatedly launched, even when similar measures have failed in the past
- Strategic option reviews often **lack a robust fact base**, impeding data-driven decision-making
- Prolonged and **inconclusive discussions** among shareholders or advisory boards result in unchanged continuation of underperforming business areas despite clear structural weaknesses
- **Limited experience with restructuring** and exit strategies, such as (distressed) M&A processes, out-of-court settlements, or formal insolvency proceedings, prevents a structured assessment of these options, despite their potential to offer viable solutions



In certain cases, the underperforming subsidiary in question may be closely intertwined with the core business, further increasing the complexity of the situation.

In addition to overcoming potential organisational inertia, **decisions regarding financing, sale/divestment, or restructuring** are inherently strategic and require foresight, since missteps can carry significant financial and operational risks.

Therefore, both **structured analysis and systematic approach** are essential – one that considers strategic, financial, and operational dimensions alike. A robust, fact-based option matrix provides the foundation for informed discussions and sound decision-making.

In times of crisis, there is no shortage of discussion. Particularly, when it concerns the future of non-core or underperforming subsidiaries. An **independent third-party expert (opinion)** enables trust among stakeholders and facilitates an objective, fact-based dialogue. A transparent financial model illustrating different scenarios serves as a stable and reliable anchor throughout the decision-making process. It allows for the **preparation of implementation-oriented, consensus-driven strategic options** that balance both financial and strategic interests, transforming uncertainty into a profound basis for decision-making.



„The W&P team successfully supported us throughout our restructuring process. The cooperation was always very constructive and characterised by a high level of professional competence“

Volker Jung, CEO, Hakle GmbH

Your benefits

Structured decision-making frameworks for underperforming subsidiaries

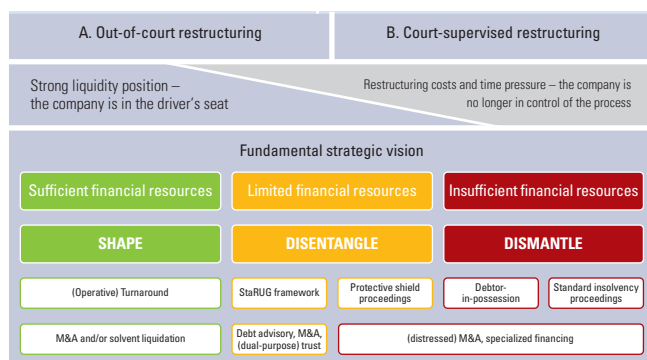
We support shareholders and executive leadership with a structured assessment of the financial implications across a range of restructuring scenarios. **Our analyses incorporate financial, legal, and strategic perspectives** to provide a transparent foundation for sound decision-making.

Preparation of a profound decision-making basis

To this end, we develop a **robust options matrix** that systematically evaluates alternative courses of action and enhances the decision-making capability of all stakeholders involved. In parallel, we **model the impact on relevant stakeholders** for each possible restructuring measures, ranging from operational turnarounds and M&A transactions to out-of-court restructurings and in-court insolvency proceedings. This includes a comprehensive review and **assessment of the company's financing and liquidity needs, its enterprise value as well as risks associated with each scenario**. The result is a clearly defined decision-making framework which transparently discloses risks, aligns expectations, and prioritises actionable strategic paths.

In addition, we assess the **strategic relevance and market potential** of each unit. A structured portfolio analysis serves as an effective tool to support this evaluation:

- Is the business unit essential for the corporate strategy?
- Which external factors impact the unit's long-term viability?
- What is the current market position, and what opportunities exist for sustainable performance improvement?



Case	Indicative Values					Value	Risk	Comment
Continue „as-is“	Base Case							
	1A	-4,1	-1,5	-2,0	-7,0	-14,6		Not re-commended
Continue „as-is“	Downside Case							
	1B	-4,1	-1,3	-3,4	-2,0	-10,8		Not re-commended
Sale to Investor	Sale „out-of-court“							
	2A	-3,7	-4,5	-0,5	0,0	-8,7		re-commended
Sale to Investor	Sale in Insolvency							
	2B	-4,1	-4,5	-0,5	1,0	-10,1		weakly re-commended
Reintegration	Reintegration into the group							
	3	-4,1	-1,3	0,0	0,0	-5,4		weakly re-commended

Our structured analysis includes:

- **Out-of-court restructuring** – Evaluation of a range of restructuring measures and their financial impact, including potential application of the StaRUG framework
- **M&A process** – Identification of potential buyers, execution of a structured transaction process, and assessment of the economic benefits of a potential divestment
- **Court-supervised restructuring** – Detailed simulation of formal insolvency proceedings, including creditor recovery scenarios, to provide a realistic foundation for decision-making

With decades of experience in **financial advisory, corporate restructuring, and bankruptcy administration**, we deliver robust recovery and settlement analyses that provide clarity on the opportunities, risks, financial implications and strategic impact of each available option.



„The W&P team provided [...] considerable support in eliminating the main loss-making business and refocusing the company on its strengths“

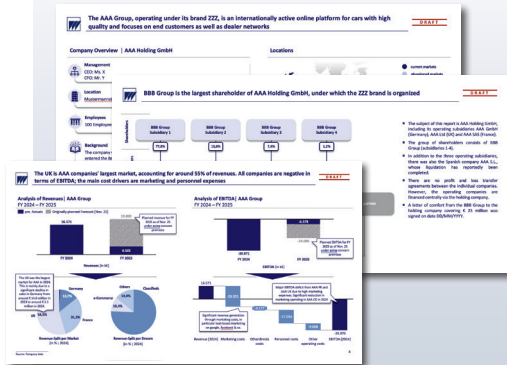
Dr. Kai Wilke, owner of
Risse + Wilke Kaltband GmbH & Co. KG



Our approach

Efficient execution, tangible impact

As-is Analysis (Duration: 1-2 weeks)



Step 1: Identification and analysis of corporate and legal structures as a basis for evaluating strategic options, collateral frameworks, and potential avoidance risks — e.g. profit and loss transfer agreements, site structure assessments, workforce analysis and other company-specific factors

Step 2: Assessment and analysis of the company's historical performance, including a clear identification of the underlying causes of the crisis

Step 3: Preparation of profit and loss source analysis by subsidiary and/or business unit

Option Review (Duration: 2-4 weeks)



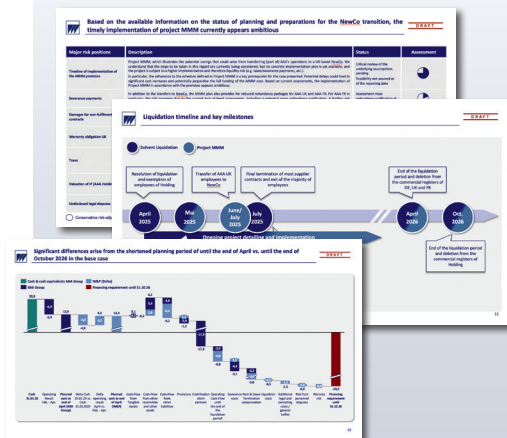
Step 1: Continuation "as-is": Modelling of current business trajectory (baseline planning) combined with a source-of-profit-and-loss analysis

Step 2a: Out-of-court restructuring with or without divestment: Financial modelling of restructuring scenarios together with a detailed turnaround plan and potential asset sales or liquidations

Step 2b: Court-supervised restructuring (regular proceedings / protective shield proceedings – liquidation vs. insolvency plan vs. asset deal): Indicative modelling of insolvency proceedings

Step 3: Comparison of financial effects and preparation of a transparent report to provide a robust decision-making basis for executive leadership and shareholders

Implementation support (Duration: 3-6 weeks)



Option 1: Support for out-of-court restructuring through a comprehensive restructuring plan and defined operational measures, executed with the involvement of industry experts, detailed PMO structure and ongoing liquidity monitoring

Option 2: Support in preparing for insolvency filings and ongoing business management during proceedings as well as development of going-concern concepts, implementation support for defined measures and rolling liquidity planning throughout the process



„W&P quickly took on its tasks in the project team without complications and presented reliable results that were supported by everyone involved in a timely manner. W&P therefore played a significant role in the success of the project and exceeded our expectations.“

Dr. Jörg Hoffmann, CEO
AUMA Gruppe



Have we sparked your interest?

Our industry and project expertise tailored
to your needs

Mechanical engineering

Initial situation/objective

- Loss-making subsidiary of a large corporate group with negative cashflow

Project

- Commercial DD and profit and loss source analysis
- Option review across 3 scenarios including sale

Result

- Closure of local production and sales push in Asia

Chemicals

Initial situation/objective

- Challenging liquidity situation, financing provided by the PE shareholder

Project

- Plausibility check of integrated financial model
- Strategic option review: out-of-court restructuring vs. protective shield proceedings vs. liquidation

Result

- Decision in favor of out-of-court restructuring, containing a detailed turnaround plan with defined operational and financial measures

Automotive

Initial situation/objective

- Loss-making subsidiary with no viable future

Project

- Comparative analysis of liquidation versus self-administration proceedings

Result

- Sale via insolvency proceedings in self-administration

Retail

Initial situation/objective

- Liquidity crunch driven by operational inefficiencies, particularly in workforce structure

Project

- Plausibility check of integrated financial model
- Strategic option review: out-of-court restructuring vs. protective shield proceedings

Result

- Restructuring through protective shield proceedings, including logistics outsourcing and strategic repositioning as a B2B retailer



„Thanks to the structured approach, the proven expertise in the context and, last but not least, the corresponding sensitivity in moderation and coordination, W&P played a key role in realising significant efficiency reserves.“

Alexander Beer, CFO,
Moll Betonwerke

Metal construction

Initial situation/objective

- Significant financial liabilities to suppliers operating as extended workbench

Project

- Evaluation of takeover, divestment, or insolvency options – including retention incentives and risk of contestation

Result

- Integration into the corporate group

Return on Consult



Structured decision-making
framework



Legal certainty and ability to
execute



Expert implementation support



One-stop-shop for strategy,
turnaround, restructuring,
and insolvency proceedings

OUR W&P-EXPERTS

Contact us, we are happy to walk you through our approach in a non-binding conversation and outline the specific value it can unlock for your portfolio or for your company.



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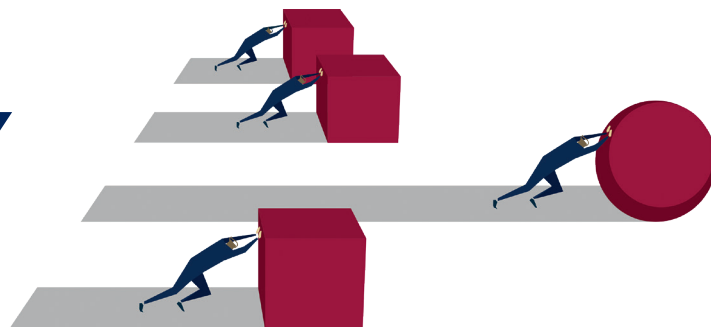


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Opening new perspectives –
shaping the future with strategic clarity



STRATEGY

INNOVATION & NEW BUSINESS

DIGITALISATION

MANAGEMENT & ORGANISATION

SALES & MARKETING

OPERATIONS

CORPORATE RESTRUCTURING

MERGERS & ACQUISITIONS

FINANCE

BANKRUPTCY ADMINISTRATION

CONTROLLING

Dr. Wieselhuber & Partner is an experienced professional management consultancy for companies of all sizes in a wide range of industries.

We specialize in the following business functions: strategy, innovation & new business, digitalisation, management & organisation, sales & marketing, operations, mergers & acquisitions, financing & financial controlling, plus the sustainable elimination of corporate crises by means of corporate restructuring and bankruptcy administration. With experts in family-owned businesses, customer force field, industry 4.0, future management complexity and agile management.

Dr. Wieselhuber & Partner offices in Munich, Düsseldorf, Hamburg, Stuttgart and Berlin offer clients comprehensive and industry-specific expertise and methods. In particular, our competency includes dealing with the dynamics between the families, management, and the company itself.

As an independent renowned management consultancy, we work exclusively for the interests of our clients. It's not our role to talk you into anything. Instead, we let our in-depth sector expertise, methodical business knowledge and many years of real-world experiences do the convincing. And you can count on us to remain objective and independent at all times.

Our aim is to strengthen our clients' market competitiveness, increase business profitability and create shareholder value. Focusing on markets and profits sets us apart from other consultancies.



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