



RESTRUCTURING & VALUATION SERVICES

THE DUTCH SCHEME IN A BROADER RESTRUCTURING PROCESS

The Dutch Scheme in a Broader Restructuring Process

'The Dutch Scheme', or the 'Wet Homologatie Onderhands Akkoord', known as 'WHOA', is a legislative change aimed at improving the financial restructuring possibilities in the Netherlands for domestic and international companies outside of a formal insolvency procedure. The scheme combines features from the U.K. Scheme of Arrangements and US Chapter 11 proceedings, while also providing a flexible procedure and limited court involvement.

To counter the impact of COVID-19, the Dutch government is aiming to introduce the proposed scheme by 1 July 2020.

A&M sees the scheme as part of a broader operational restructuring process. Although WHOA in isolation will be an effective option for those companies in need of a financial restructuring.



Based on our experience, most companies in trouble are not only overleveraged but may also have other operational issues. These issues need to be addressed as part of a

parallel operational restructuring process next to a WHOA procedure. For this reason, we see the WHOA procedure as part of a full restructuring process, as illustrated above.

The WHOA Procedure

The WHOA procedure consists of four phases from initiation to confirmation by the court. The procedure is structured to be completed within 4 to 6 weeks. However, this is only possible in cases where the procedure is prepared in advance. Preparation is expected to take an additional 6 to 8 weeks, if not longer.

Preparation for a WHOA procedure includes the contents of a restructuring plan, which is proposed to the relevant stakeholders of the company during the WHOA procedure.

Progress on the preparations for the restructuring plan, such as views on the reorganisation value of the company, the distribution of this value or a potential new capital structure, will facilitate negotiations between the relevant stakeholders during the preparation phase. In case these negotiations lead to a consensual financial restructuring, a WHOA procedure would not be required. Good stakeholder management is key during the preparation of a potential WHOA procedure and during the WHOA procedure itself.

How A&M can help

A&M is uniquely positioned to perform the following services to execute WHOA-related procedures, which we expect would be part of a broader restructuring of a company:

- Restructuring advisory: as an independent advisor to the company, managing all relevant stakeholders, preparing and developing the restructuring plan required in a WHOA procedure. With the aim of continuation of the company, we could also assist in the development of an operational restructuring plan, if required
- Valuation services: assessment of the reorganisation value and liquidation value, and potentially monitoring the value development of a company during the entire restructuring process, including the period after execution of the WHOA
- Executing on any other required restructuring measures in a CRO / company director role, after implementation of the WHOA

A&M also provides these services separately in either broader restructuring processes or WHOA procedures.

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ABOUT ALVAREZ & MARSAL

Companies, investors and government entities around the world turn to Alvarez & Marsal (A&M) when conventional approaches are not enough to make change and achieve results. Privately held since its founding in 1983, A&M is a leading global professional services firm that provides advisory, business performance improvement and turnaround management services.

With over 4,500 people across four continents, we deliver tangible results for corporates, boards, private equity firms, law firms and government agencies facing complex challenges. Our senior leaders, and their teams, help organizations transform operations, catapult growth and accelerate results through decisive action. Comprised of experienced operators, world-class consultants, former regulators and industry authorities, A&M leverages its restructuring heritage to turn change into a strategic business asset, manage risk and unlock value at every stage of growth.

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