AMERICAN BANKRUPTCY INSTITUTE

2022 Winter Leadership Conference

Connecting the Numeric Dots: EBITDA, Cash and Accounting Concepts for Attorneys

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CONCURRENT SESSION

2022

ACCORDION

ABI WINTER LEADERSHIP CONFERENCE 2022

Accounting Basics From Accounting Pros

MODERATOR:
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December 2022

Agenda

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Understanding Financial Statements

Understanding Financial Statements & Terms

- Income Statement
- Balance Sheet
- Cash Flow
- Borrowing Base
- Footnotes
- Financial Statements in Bankruptcy
- Signs of Distress

Generally Accepted Accounting Principles (GAAP)

- GAAP is the common set of accounting principles, standards and procedures that define the correct way to report financial statement information and is the required reporting method for all publicly-traded companies in the U.S. Development of GAAP is primarily the responsibility of the Financial Accounting Standards Board (FASB).

Accrual Basis Accounting (GAAP) vs. Cash Basis Accounting (Non-GAAP)

- Accrual Basis - Records revenue when earned and expenses when incurred. Cash does not need to be part of the transaction.
- Cash Basis - Records revenue when cash is received and expenses when cash is paid.

During distressed situations, external constituent groups frequently request that the company or its advisors prepare a 13-week or 26-week rolling cash flow forecast. This forecast is developed to help all parties understand the near-term liquidity and is typically developed in a cash sources and cash uses format (cash basis accounting).

Income Statement

PURPOSE

- Report the net income (revenues less expenses) of an entity for a specified period of time
- Net income does not equal cash flow (accrual accounting)

KEY ANALYTICS

- Year over year comparisons
- Common-sized (or % based)
- Ratio analysis
- Industry / competitor comparisons

TYPES OF STATEMENTS

(Applies to Income Statement, Balance Sheet, and Cash Flow)

- Consolidated: Aggregate of a number of divisions or legal entities
- Consolidating: A number of columns showing individual entities adding up to the whole
- Actual Results: Preliminary, Unaudited, Audited
- Projected Results: Forward looking statements based on various assumptions about future performance
- Proforma: Showing actual or projected results "as if" an event (such as an acquisition) has or has not occurred

Income Statement (contd.)

DISCUSSION OF KEY LINE ITEMS

- Net Sales (Revenue) - The result of products or services sold during the period
  - ✓ Often a primary focus vs. income
  - ✓ Decline from 2021 to 2022 - What does its mean?
  - ✓ Gross vs. Net Sales
  - ✓ Key Drivers
    - Price
    - Volume
    - Product Mix
  - ✓ Other Issues
    - Customer Concentration
    - Contracts / Backlog
    - Foreign Currency

	FY21	FY22	% of Sales
Net sales	$ 851,186	$ 791,380	100.0%
Cost of products sold	664,060	623,723	78.8%
Gross margin	187,126	167,657	21.2%
Gross margin %	22.0%	21.2%	
Selling, general & administration	181,519	172,512	21.8%
Loss on impairment of assets	2,692	173,996	22.0%
Restructuring	58,947	9,460	1.2%
Operating income	(56,032)	(188,311)	-23.8%
Other (income) expense:			
Interest expense, net	27,255	31,994	4.0%
(Gain)/loss on sale of assets	4,163	23,005	2.9%
Minority interest	($584)	(2,710)	-0.3%
Reorganization Items		17,240	2.2%
Other, net	1,732	14,489	1.8%
Income before tax	(88,598)	(272,329)	-34.4%
Income taxes	4,615	5,381	0.7%
Income before cum effect	(93,213)	(277,710)	-35.1%
Income (loss) from discontinued operations			
Cum effect of accounting change	(68,914)	(43,591)	-5.5%
Net income before extraordinary items	(162,127)	(321,301)	-40.6%
Forgiveness of debt			0.0%
Net income	$ (162,127)	$ (321,301)	-40.6%
Add			
Tax expense (benefit)	4,615	5,381	
Interest expense	27,255	31,994	
Depreciation & amortization	37,585	32,783	
Restructuring costs	58,947	26,700	
Loss on sale on assets & one-time charges	6,855	48,494	
Extraordinary items/accounting changes	68,914	217,587	
EBITDAR	$ 42,044	$ 41,638	
	5.3%		

Income Statement (contd.)

DISCUSSION OF KEY LINE ITEMS

- Cost of Product Sold (COS, COGS) - The cost of products or services sold during the period
  - ✓ What is and is not included
  - ✓ Key Components:
    - Labor
    - Materials
    - Overhead
  - ✓ Key Drivers
    - Price
    - Volume
    - Efficiency
  - ✓ Other Issues
    - Relationship to Inventory

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Income Statement (contd.)

DISCUSSION OF KEY LINE ITEMS

- Gross Margin (Gross Profit) $ - Sales less Cost of Goods Sold
- Gross Margin % - Gross Margin $ divided by Net Sales
  - ✓ Key performance measure
  - ✓ Can break down into margin on labor, material, and overhead
  - ✓ Contribution Margin - Profit after covering variable costs
  - ✓ Incremental Margin - Profit from one additional unit, new product line, etc.

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Income Statement (contd.)

DISCUSSION OF KEY LINE ITEMS

- Selling, General, & Administrative Expense ("SG&A") - All of the organizational overhead not captured in the cost of goods sold.
  - ✓ Often a key focus in troubled situations (overhead reductions)
  - ✓ Assess as a % of sales
  - ✓ Fixed vs. Variable Costs
  - ✓ Key categories:
    - Salaries & Benefits
    - Rents & Utilities
    - Advertising, Supplies
    - Professional Fees
  - ✓ As a % of sales SG&A increased from 21.3% to 21.8%

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Income Statement (contd.)

DISCUSSION OF KEY LINE ITEMS

- Interest
- Gain or Loss on Sale of Assets
- Minority Interest
- Impairment of Assets / Impairment of Goodwill / Cumulative Effect of Accounting Change
- Restructuring / Reorganization
- Income Taxes
- Net Income
- Earnings Per Share

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EBITDAR	$ 42,044	$ 41,638	
	5.3%		

EBIT & EBITDA

EBIT
(Earnings Before Interest and Taxes)

Calculated as Follows:

Net Income	$ (321)
Interest Expense	32
Tax Expense (Benefit)	5
EBIT	$ (284)

- Represents the pre-tax earnings of a company without considering how the business is financed.
- Represents all profits (operating and non-operating), before deducting interest and income taxes.

EBITDA
(Earnings Before Interest, Taxes, Depreciation, and Amortization)

Calculated as Follows:

Net Income	$ (321)
Interest Expense	32
Tax Expense (Benefit)	5
Depreciation & Amortization	33
EBITDA	$ (251)

EBIT & EBITDA

EBITDA
(Earnings Before Interest, Taxes, Depreciation, and Amortization)

- EBITDA became popular during the leveraged buyouts in the 1980's, where it was used to indicate the ability of a company to service debt.
- Purpose is to reflect company's free cash flow before servicing debt, provides preliminary indication of the debt level that a company can afford.
- Eliminates the effects of financing and accounting decisions and should provide for an "apples to apples" comparison within industries.
- Calculation excludes non-cash items taken from net income such as depreciation and amortization.
- Frequently used to describe transactions (a multiple of purchase price or loaned amount). Examples:
  - ✓ The Company was bought at 5.75x EBITDA or
  - ✓ The Lender will lend at 3.50x EBITDA up to $90.0MM
- EBITDA is particularly useful for companies with large capital investments where there is a lag on getting returns on those investments.

EBIT & EBITDA

EBITDA

(Earnings Before Interest, Taxes, Depreciation, and Amortization)

- EBITDA should be viewed as part of an overall analysis when evaluating a company's strengths or weaknesses and should not be evaluated in isolation.
- EBITDA is not a term defined by GAAP, and the items included in the calculation can vary between companies. These inconsistencies need to be understood as part of any analysis.
- The calculation ignores changes in working capital that can arise from events such as additional bad debt, a significant increase in inventory or a change in how a company pays its suppliers.
- EBITDA is a good measure of profitability but not necessarily cash flow. The best measure of operating cash flow will take into account changes in working capital (NI + Depr + Amort - Working Capital Change).
- It doesn't consider the amount of required reinvestment (capital expenditures) – especially for companies with short-lived assets.

EBIT & EBITDA

EBITDAR ➡ A modified version of EBITDA with no consistent meaning.

The "R" in EBITDAR is often industry specific and can be company specific. The "R" is typically subtracted to create a standardized value for comparison within an industry, below are several examples of the most common usages:

- RESTRUCTURING: Often excluded from EBITDA within a distressed environment, and represents such charges as reduction in force (RIF's), severance or plant closures.
- RENT: Often excluded from EBITDA within the restaurant or retail industry to subtract unit level rent costs so individual store performance can be compared.
- RENTAL: Often excluded from EBITDA in industries that rent large equipment or machines such as in the airline or construction industry.

Income Statement (contd.)

OTHER ISSUES

- Difficulty in comparing year over year results
  - ✓ Acquisitions and Divestitures
  - ✓ Significant Business Changes
  - ✓ Foreign Currency Fluctuations
  - ✓ Accounting Issues
- Difference between income and cash
- Certain industries have very complex factors impacting accounting on P&L
- Subtle warning signs of distress often only visible by comparing periods of time, different companies, or digging into divisions or other details below the surface

Balance Sheet

BALANCE SHEET ➡ Assets = Liabilities + Owners' Equity

PURPOSE

- Reporting the financial position of an entity at a specific point in time
- Potential Shortfalls:
  - ✓ Historic Cost vs. Market Value
  - ✓ Contingent/Off Balance Sheet Liabilities (or Assets)
  - ✓ Intangibles and Goodwill
- Content:
  - ✓ Assets - Probable future benefits to the entity
  - ✓ Liabilities - Probable future sacrifices by the entity
  - ✓ Equity - Residual interest in the assets of the entity

KEY ANALYTICS

- Year over year comparisons
- Common-sized (or % based)
- Ratio analysis
- Liquidation analysis
- Collateral & priority analysis

CURRENT VS. LONG-TERM

- Current is realized or due within 1 year
- Long-Term is realized or due after 1 year
- Current Portion of L-T Debt is often misleading

Balance Sheet (contd.)

DISCUSSION OF KEY ASSETS

- Cash - Liquid funds or short-term securities
  - ✓ Negative Cash
  - ✓ Foreign Cash
  - ✓ Book vs. Bank
  - ✓ Minimum Requirements
  - ✓ Revolver Issues
- Accounts Receivable – Amount due from customers
  - ✓ Quality / Aging
  - ✓ Standard Terms
  - ✓ Potential funding source
  - ✓ Contras
- Other Receivables – Employees, etc.

Assets	FYE 6/30/21	FYE 6/30/22
Current Assets		
Cash and cash equivalents	$ 50,535	$ 27,407
Accounts receivable, net	174,526	199,746
Inventories	178,850	153,353
Prepaid expenses and other current assets	18,527	23,563
Total Current Assets	422,438	404,069
Long-Term Assets		
Property, plant and equipment, net	365,693	196,640
Goodwill, net	54,238	-
Other intangibles, net	13,080	10,682
Other assets, net	17,479	26,350
Total Long-Term Assets:	450,490	233,672
Total Assets	$ 872,928	$ 637,741

!

WARNING SIGNS:

- Decline in cash
- Increase in A/R when sales falling

Balance Sheet (contd.)

DISCUSSION OF KEY ASSETS

- Inventory - Goods held for sale
  - ✓ Types of Inventory: Raw Materials, Work in Process (WIP), and Finished Goods
  - ✓ Quality of Inventory:
    - ✓ Excess & Obsolete
    - ✓ Slow Moving (Turns)
  - ✓ Relationship with Cost of Goods Sold / Hidden Variances
  - ✓ Accounting (FIFO, LIFO, etc.)
- Prepaids & Other
  - ✓ Security Deposits, Retainers, Prepaid Insurance, Financing Costs
  - ✓ Generally little value

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WARNING SIGNS:

- Days in Inventory increased from 84 to 89

Balance Sheet (contd.)

DISCUSSION OF KEY ASSETS

- Property, Plant & Equipment ("PP&E") - the physical infrastructure of the company; sometimes broken into Furniture & Fixtures vs. Plant & Equipment
  - ✓ Key Categories
    - ✓ Land
    - ✓ Building
    - ✓ Equipment
    - ✓ Leasehold Improvements
    - ✓ Furniture & Fixtures
  - ✓ Gross vs. Net of Depreciation
  - ✓ Significant variance from Net Book Value ("NBV") to market value

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WARNING SIGNS:

- Significant reduction in PP&E – may be deferring capital expenditures

Balance Sheet (contd.)

DISCUSSION OF KEY ASSETS

- Goodwill - from prior acquisitions
- Other Intangibles
  - ✓ Patents/Intellectual Property
  - ✓ Customer Lists
  - ✓ Capitalized Research & Development
- Other Assets
  - ✓ Pension
  - ✓ Deferred Bank Charges
  - ✓ Deferred Tax Assets
  - ✓ Investments in Joint Ventures or Unconsolidated Subsidiaries

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WARNING SIGNS:

- Impairment/write-off of goodwill signals decline in value of assets/business

Balance Sheet (contd.)

DISCUSSION OF KEY LIABILITIES

- Accounts Payable - amounts due to venders
  - ✓ Aging and Held Checks
  - ✓ Death Spiral
- Accrued Liabilities - other amounts that are due or may become due
  - ✓ Offsets to Other Assets
  - ✓ Key Areas:
    - ✓ Accrued Payroll & Benefits
    - ✓ Restructuring Costs
  - ✓ "Accounting" Entries (i.e. Deferred Rent, etc.)

Liabilities and Stockholders' Equity:	FYE 6/30/21	FYE 6/30/22
Current Liabilities:		
Vendor AP	$ 108,681	$ 76,250
Accrued liabilities	92,371	99,478
Deferred tax liability	10,314	14,458
Accrued restructuring costs		7,294
Short-term debt	88,266	77,480
Total Current Liabilities	299,632	274,960
Long-Term Liabilities		
Long-term debt, net of current portion	355,771	3,105
Revolver	-	-
Capital leases	20,329	22,566
Pension liability	21,410	33,639
DIP facility	-	13,700
Other liabilities	22,707	31,206
Total Long-Term Liabilities	420,217	104,216
Total Liabilities	719,849	379,176
Liabilities Subject to Compromise:	-	393,554
Stockholders' Equity:		
Minority interest	5,769	3,784
Capital stock	334	335
Paid-in capital	272,270	270,695
Retained earnings	(43,615)	(364,916)
Translation adjustment	(81,679)	(44,887)
Total Stockholders' Equity	153,079	(134,989)
Total Liabilities and Stockholders' Equity	$ 872,928	$ 637,741

Balance Sheet (contd.)

DISCUSSION OF KEY LIABILITIES

- Debt
  - ✓ Short vs. Long Term
  - ✓ Bank, Bond, Other
  - ✓ Identify payment terms, covenants, borrowing base
- Other Liabilities
  - ✓ Pension
  - ✓ Deferred Tax Liability

DISCUSSION OF SHAREHOLDERS' EQUITY

- Stock, Equity, Paid In Capital
- Minority Interest
- Retained Earnings
- Translation Adjustment

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OTHER ISSUES

- Look for areas to generate short-term liquidity
  - ✓ Accelerate A/R Collections
    - ✓ Collection Efforts
    - ✓ Discounting
    - ✓ Factoring
    - ✓ Electronic Payment
  - ✓ Stretch Payables
  - ✓ Cash Efficiency
  - ✓ Non-Core Asset Sales
  - ✓ Unencumbered Asset Financing
  - ✓ Excess Inventory Liquidation

Ratios

Different constituent groups focus on different ratios. Generally, ratios fall into one of the following categories:

LIQUIDITY
Financial ratios in this category measure the company's capacity to pay debts as they come due.

SAFETY
Provides an indication of the company's vulnerability to risk. These ratios are often used by creditors to determine the ability of
a business to repay loans.

PROFITABILITY
Provides an indication of the company's performance.

EFFICIENCY
All referred to as "Asset Management" ratios. Provides an indication of how efficiently the company manages its assets.

Ratios

LIQUIDITY RATIOS

- Financial ratios in this category measure the company's capacity to pay debts as they come due.
  - **Current Ratio = (Current Assets/Current Liabilities)**
    - ✓ Ratio between all current assets and current liabilities.
    - ✓ 1:1 current ratio means the Company has $1 in current assets to cover $1 of current liabilities.
- **Quick Ratio = (Cash + A/R)/Current Liabilities**
  - The ratio between all assets quickly convertible into cash and all current liabilities. Specifically excludes inventory.
  - Generally, a ratio of 1:1 Is good and indicates that company does not have to rely on the sale of inventory to pay the bills.

SAFTEY RATIOS

- These ratios are often used by creditors to determine the ability of a business to repay loans.
  - **Debt to Equity = (Debt/Equity)**
    - ✓ Ratio between capital invested by the owners and funds provided by lenders.
    - ✓ Higher ratio equals greater risk to a lender. Lenders want "skin in the game".
  - **Interest Coverage = (Operating Income/Interest Expense)**
    - ✓ The ratio measures how many times interest obligations are covered by earnings from operations.
    - ✓ The higher the ratio, the bigger the cushion and the more able the business is to meet interest payments. If this ratio is declining over time, it's a clear indication that financial risk is increasing.
  - **Debt Coverage = (Net Profit + Non-Cash Expenses)/Debt**
    - ✓ Ratio provides an indication of how well cash flow covers debt and the capacity of the business to take on additional debt.

Ratios

PROFITABILITY RATIOS

- These ratios are often used to demonstrate the performance of the business:
  - **Gross Profit Margin = (Gross Profit/Sales)**
    - ✓ Is there enough profit to cover operating costs? What is the trend line?
    - ✓ If the gross profit margin is declining over time, it may mean that inventory management needs to be improved, or that selling prices are not rising as fast as the costs of the goods sold.
- **Return on Equity = (Net Profit/Equity)**
  - Also known as Return on Investment
  - Is the business making money for its investors?
- **Return on Assets = (Net Profit/Total Assets)**
  - Ratio provides an indication of how well the assets are used to produce income.
  - When analyzing trend information, be careful to note the impact of depreciation on total assets.

EFFICIENCY RATIOS

- These ratios provide an indication of how efficiently the company manages its assets:
  - **Days Sales Outstanding = (Average Accounts Receivable/Sales) * 360 days**
    - ✓ In distressed situations, improving accounts receivable collection is a vital component to improving cash flow.
  - **Inventory Turnover = (Cost of Goods Sold/Average Inventory)**
    - ✓ Ratio determines how many times a business sells inventory during the year.
    - ✓ Compare to available industry information; a low turnover may indicate overstocking or obsolete inventory.
    - ✓ Critical component to cash flow management.
  - **Days in Accounts Payable = (Average Accounts Payable/COGS) * 360 days**
    - ✓ Ratio provides an indication of the average length of time trade payables are outstanding before they are paid.
    - ✓ In distressed situations, a company will typically "stretch" or delay payment in an effort to improve its cash.

Statement of Cash Flows

PURPOSE

- Report the company's inflows and outflows of cash by various categories over a period of time

TYPES

- **Accounting (Indirect) Cash Flow:** GAAP financial statement that starts from Net Income and reconciles to change in cash over the period through changes in working capital and other activities
  - ✓ Operating Activities - Routine operational activities including interest expense payments and interest and dividend income
  - ✓ Investing Activities - The purchase and sale of PP&E and investments
  - ✓ Financing Activities - Debt and equity financing and dividend payments
- **Sources and Uses (Direct) Cash Flow:** A method of showing the actual cash inflows and outflows by categories to show the change in cash balance.
  - ✓ Typically used for 13-week short-term liquidity forecasts
  - ✓ Often used for reporting to banks during bankruptcy and for DIP and/or cash collateral budgets
  - ✓ Cuts out the non-cash items in the income statement and shows the true timing of inflows and outflows
  - ✓ Disbursement vs. Clearing Basis (Float)

Statement of Cash Flows (contd.)

INDIRECT CASH FLOW

DIRECT CASH FLOW

Footnotes

PURPOSE

- The footnotes to the financial statements (typically quarterly with more detail annually) provide detail behind key financial statement items
- Report off-balance sheet items and key estimates and assumptions for items reported in the financial statements

AREAS OF IMPORTANCE

- Details of Key Accounts - Inventory, PP&E, etc.
- Segment Reporting
- Debt & Leases
- Contingent Liabilities - Guarantees, Litigation, Warranties
- Derivatives and Off Balance Sheet Liabilities
- Related Party Transactions
- MD&A (Management Discussion & Analysis)
- Subsequent Events
- Audit Opinion

Financial Statements in Bankruptcy

Certain elements of the financial statements change during bankruptcy and on emergence from bankruptcy.

BALANCE SHEET

- Liabilities Subject to Compromise
- Fresh Start Accounting

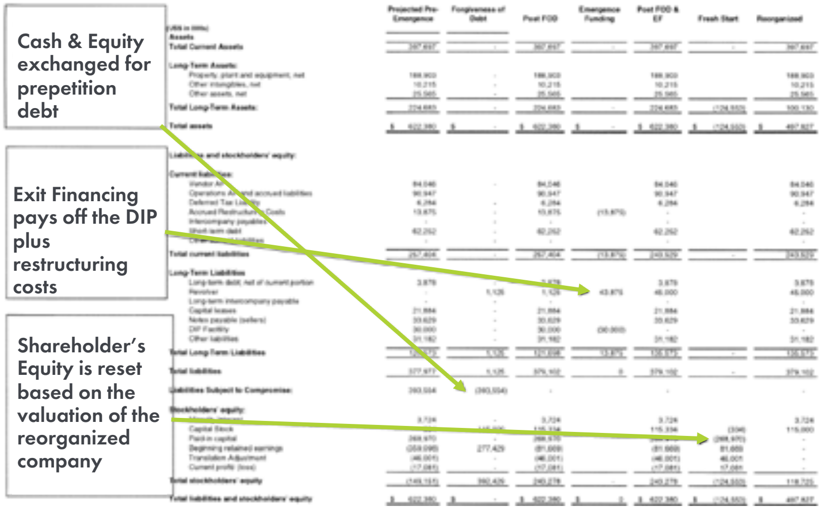
INCOME STATEMENT & STATEMENT OF CASH FLOWS

- "Ordinary" transactions must be separated from those coming about as a result of the reorganization
- Reorganization Expense
- Forgiveness of Indebtedness Income
- Fresh Start Accounting

MONTHLY OPERATING REPORTS (US TRUSTEE)

- Filed publicly
- Follow required format
- Include supplemental information

Financial Statements in Bankruptcy



Signs of Distress

DECLINING TRENDS (FINANCIAL)

- Sales, Margin%, EBITDA, Net Income
- A/R Aging, Inventory Turns, A/P Aging (Held Checks)
- Liquidity / Excess Availability
- Budget vs. Actual Performance
- Performance vs. Industry Peers

UNDERLYING BUSINESS PROBLEMS (OPERATIONAL STATISTICS)

- Lost Customers
- On-Time Delivery
- Returns/Discounts
- Scrap/Defect Rates

FINANCING STRESS

- Decreasing Availability
- Approaching Debt Maturities
- Covenant Defaults
- Payment Defaults

OTHER INDICATORS

- Management Changes
- Going Concern Opinion
- Change of Auditor
- Z-Score

Faculty

Daniel F. Dooley, CTP is a principal and CEO at MorrisAnderson in Chicago, where he manages the firm's distressed business consulting practice. He is an accomplished crisis manager, business operator and debt-restructurer. Mr. Dooley is a frequent speaker at industry conferences of the Turnaround Management Association and ABI on distressed and underperforming businesses, and a regular author for industry periodicals. Prior to joining MorrisAnderson in 1997, he served as an executive with several Fortune 500 manufacturers, including Illinois Tool Works (ITW), an industrial manufacturer, and Allied Signal, an automotive electronics and aerospace manufacturer. He has served on board of directors and been a key advisor to small and large corporations and nonprofit organizations. Mr. Dooley has successfully managed numerous projects for middle-market companies and assumed dozens of interim-management positions as an independent director, CEO, CRO and CFO for client companies nationwide. During his career, he has negotiated numerous transactions involving debt-restructuring, supplier accommodations and business sales. Mr. Dooley specializes in the development and implementation of cost-reduction and restructuring plans, as well as restructuring negotiations between companies and their creditors. He educates company ownership and management on realistic business plans, implementation of cost and liquidity improvements, and effective end-game strategies for clients. He also collaborates with management on issues related to turnaround, restructuring plans and business sales. Mr. Dooley has achieved results for companies in the automotive, aerospace, agriculture, capital equipment, metals, healthc are, transportation, food, distribution, oil and gas, and real estate industries. He has served on ABI's Board of Directors and on the board of the Turnaround Management Association, for which he served as president of its 1,000-member Chicago chapter. He is also a contributing author to *The Chief Restructuring Officer's Guide to Bankruptcy: Views fom Leading Insolvency Professionals* (ABI 2013). Mr. Dooley received his B.B.A. and M.B.A. in finance at the Carlson School of Management from the University of Minnesota in Minneapolis.

Melissa S. Kibler, CPA, CIRA, CTP, CFF and CDBV is a senior managing director in the Chicago office of Accordion Partners, which acquired Mackinac Partners, her previous firm, in May 2021. She has more than 30 years of experience providing financial advisory, restructuring and turnaround management services to Fortune 500 and mid-sized companies and their stakeholders. Ms. Kibler recently served as an expert on feasibility in the Boy Scouts of America matter; CRO in the bankruptcies of Rubio's Restaurants, a 170-unit Mexican coastal grill, and Juno, previously the third-largest ride-hailing company in New York; and as the CFO of Edmentum, a leading provider of K-12 online learning solutions. She also has extensive investigative, litigation and valuation experience, including insolvency-related litigation, avoidance actions, fraud investigations, merger and acquisition disputes, director and officer claims, and other commercial litigation support. Ms. Kibler was previously a senior managing director in the Chicago office and an executive committee member of Mesirow Financial Consulting following its 2004 acquisition of the corporate recovery practice of KPMG LLP, where she had served as partner-in-charge of the Midwest Corporate Recovery practice and the Pacific Northwest Corporate Recovery and Forensic & Litigation Services practices since 1999 after starting her career at PricewaterhouseCoopers. Ms. Kibler currently chairs the American College of Bankruptcy, and her prior leadership roles in professional associations include ABI President and Chair, director of INSOL International and chair of the AICPA Bankruptcy Task Force. She received the 2022 Global M&A Network USA Women Dealmakers DEI Award and the 2021 Global M&A Network's Women's Leadership Award, and she was named the Chicago Chapter Turnaround Management Association's 2021 CTP of the Year, *Consulting Magazine*'s 2013 Women Leader in Consulting, Illinois CPA Society's 2011 Women to Watch, the IWIRC 2010 Woman of the Year in Restructuring, *Crain's Chicago Business*'s 2004 40 Under 40, and the 2003 CIRA Gold Medal Winner. Ms. Kibler received her B.A. in accounting *summa cum laude* from Texas A&M University and her M.B.A. from Southern Methodist University, graduating first in her class.

Johnny J. Lee, CPA, CIRA is a managing director in Grant Thornton LLP's Transaction Services group in New York and has nearly 20 years of accounting, transaction, restructuring and financial advisory experience. His experience in health care includes currently serving as a advisor to a health care system in Texas in its operational turnaround cash management and as an advisor to Highmark, Inc. in its strategic initiatives. Having originally advised Highmark on its creation of one of the largest integrated health care delivery systems, Mr. Lee led the team in preparing financial projections and business plan analysis, and in discussions with representatives of state regulators to gain approval for the transaction, which totaled over $2 billion in investment for seven hospitals and the build-out of a large physician network. His work also involved working with actuarial analyses, integrating and consolidation of financial reporting, analysis of potential revenue enhancement and cost-reduction opportunities, bondholder negotiations, quantifying contingencies, review of the structure of the transaction, and analysis of investments in capital improvements, including system upgrades/replacements. Mr. Lee has served as a key advisor and expert in health care affiliations, acquisitions or joint ventures where the financial projections and business plans developed served as the basis in negotiations of revenue/earnings share or cost-split arrangements and transition agreements. Additionally, he has served as a C-suite executive or interim-management team member in a transaction or bankruptcy. He also has served in numerous situations for companies as an accountant or to assist the audit team on technical accounting matters related to transactions or mergers. Mr. Lee has provided forensic and investigative services for FCPA investigation, performed diligence and quality-of-earnings review, advised lenders in the negotiation of credit facilities, and advised creditors in out-of-court negotiations. Prior to joining Grant Thornton, he served as a manager in the Reorganization Services Group at Deloitte Financial Advisory Services LLP and worked in the Accounting and Finance department of Gap Inc. Mr. Lee received his B.S. in accounting and finance from the State University of New York at Buffalo.

Ryan A. Maupin is a managing director with Deloitte Transactions and Business Analytics LLP in Pasippany, N.J. in its M&A and Restructuring practice, and he has 20 years of experience advising boards, domestic and international company executives, secured and unsecured creditors, hedge funds and private equity funds in restructuring situations both in court and out of court. He is primarily focused on advising clients in complex financial turnarounds, § 363 sale processes, debt restructurings and liquidations. Mr. Maupin is a member of the Turnaround Management Association (TMA), ABI and the Association of Insolvency & Restructuring Advisors (AIRA). He was selected as part of ABI's inaugural class of "40 Under 40" in 2017. Mr. Maupin received his B.S. from Millikin University.