

# Business Valuation & Corporate Restructuring

Exploring how companies like Microsoft and LinkedIn navigate business valuation and restructuring—balancing financial metrics with ethics, regulation, and stakeholder impact.

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# Key Valuation Methods



## Asset-Based Valuation

Measures liquidation vs. going-concern value.

Microsoft's \$26.2B

LinkedIn buyout included debt assumptions.



## Market-Based (Comparables)

Uses multiples from peer companies. LinkedIn's pre-merger \$131/share vs. \$196 control premium.



## Income-Based (Discounted Cash Flows)

Projects future cash flows, discounted to present value. Terminal value accounts for long-term growth.

# Ethics & Social Responsibility

## Ethical Dilemmas

- Fair Premiums: Was LinkedIn's 50% premium justified?
- Stakeholder Trade-offs: Layoffs vs. \$8.7B to LinkedIn investors

## Social Responsibility

- Salesforce's antitrust claims highlighted regulatory scrutiny
- Employee impacts: Stock-based compensation losses

Valuation isn't just math—it's about people. A 'fair' premium for shareholders might mean layoffs or culture clashes post-merger.



# Government Regulation & Shareholder Wealth

## Regulatory Review

Antitrust scrutiny of Microsoft-LinkedIn deal following Salesforce's objections



## Long-term Success

LinkedIn's growth to 700M users post-merger shows integration matters



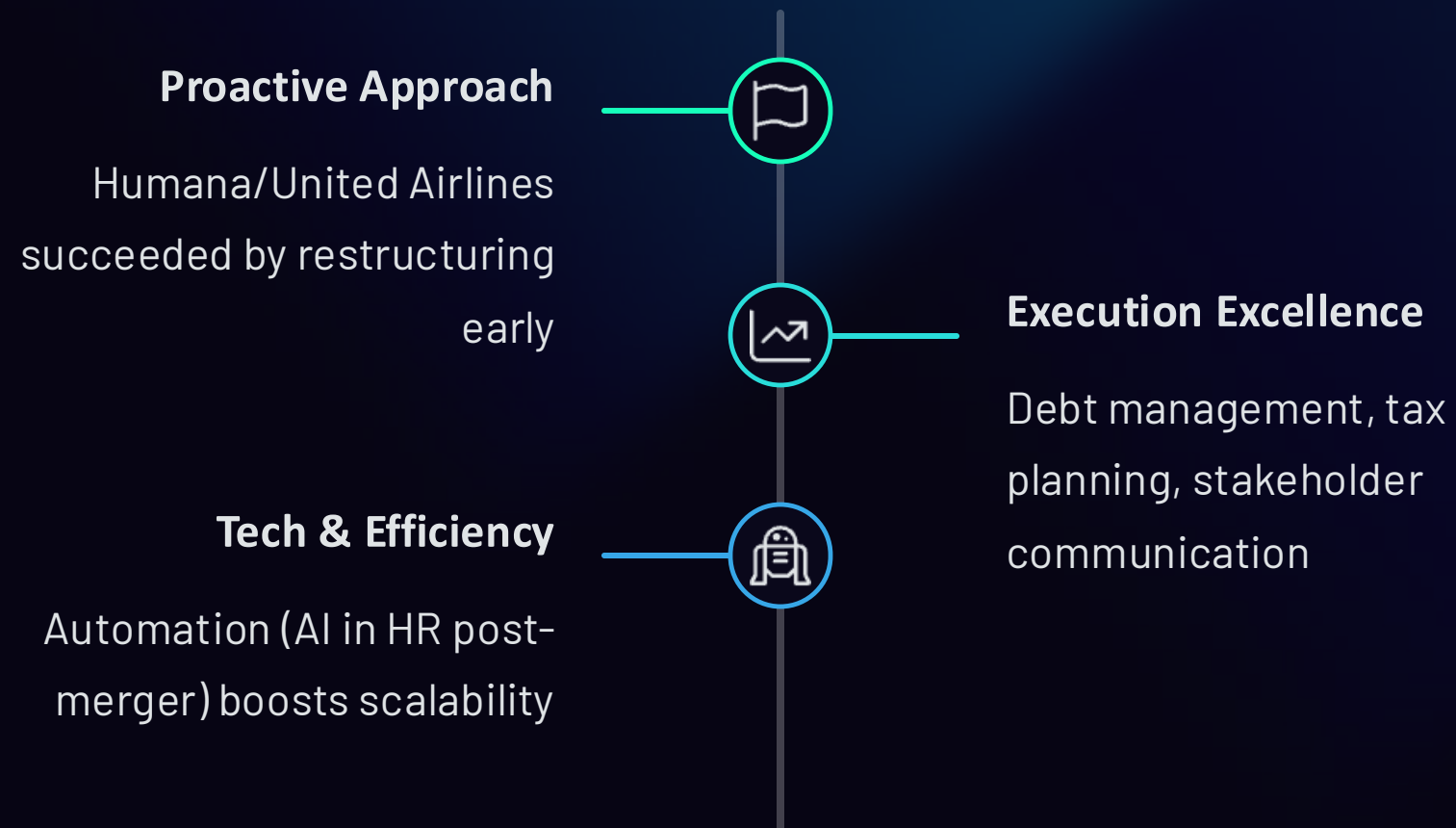
## Short-term Gains

Shareholders gain from premiums (LinkedIn's \$941M to Reid Hoffman)





# Restructuring & Value Creation



Restructuring isn't just cutting costs—it's reinventing. Success requires change management—without buy-in, even the best plans fail.





# Balancing Art & Science in Valuation

## Numbers Matter

Valuation methods set the price, but they're only as good as their assumptions.

## Ethics Define Success

Maximizing shareholder wealth can't ignore employees, customers, or regulators.

## Integration Delivers Value

Microsoft-LinkedIn synergy shows that vision plus execution creates lasting value.

Key takeaway: Valuation is both art and science—balancing numbers with ethics, regulation, and human impact.

# References



Harvard Business School



## How To Make Restructuring Work for Your Company | Working Knowl...

Combining bold ideas, powerful pedagogy, and collaborative cohort-based learning to deliver unparalleled management education and foster lifelong learning networks.

Higgins, R. C. (2023). Analysis for financial management (13th ed.). McGraw-Hill Education.

<https://www.mheducation.com/highered/product/Analysis-for-Financial-Management-Higgins.html>



YouTube



## What is Business Restructuring? Why Is It So Important to an Effective Digit...

As businesses grow and evolve over time, their organizational structure needs to adjust to reflect those changes to the business. Restructuring your business and organization can al...

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