



EROP GROUP®

# Debt Advisory and Restructuring for Corporate Stability

Client:  
**Manufacturing Firm "SteelWorks Ltd."**

Field of Expertise:  
**Debt Advisory and Restructuring**

**The financial experts of EROP Advisory have been lead advisors and participated in a few hundred mandates and in order to provide an overview over the industries, we are giving insight and presenting a case studie below.**

Due to GDPR and privacy reasons of our clients, the names of our clients and their companies have been altered but the scope of work and the industry focus have remained unchanged.

## Overview:

The information provided in this case study reflects real-life scenarios, but for confidentiality purposes, the names have been changed. SteelWorks Ltd., a mid-sized manufacturing firm, faced financial challenges exacerbated by market volatility. Seeking stability, they engaged EROP Advisory for debt advisory and restructuring expertise.

## Background:

When SteelWorks Ltd., a mid-sized manufacturing firm in the steel industry, sought financial stability amidst market turbulence, they turned to EROP Advisory, a consulting group based in Austria and focused on businesses in south-eastern Europe. With a focus on operational, strategy, and advisory services tailored to private corporations, investors, public companies, and family offices, EROP was uniquely positioned to provide the tailored solutions SteelWorks needed.

## Problem & Task at Hand:

- **Problem:** Unmanageable debt levels, maturity mismatches, and market uncertainties.
- **Task:** EROP Advisory was tasked with analyzing SteelWorks' debt structure, negotiating favorable terms, and restructuring to ensure long-term financial health.

## Initial Assessment:

EROP's debt advisory specialists conducted a comprehensive analysis of SteelWorks' debt portfolio, identifying risks and opportunities for optimization. They found that the current debt structure was not aligned with the company's cash flow and market conditions.

## Applied Steps:

1. **Debt Portfolio Analysis:** EROP analyzed SteelWorks' debt instruments, including interest rates and maturity profiles, to identify inefficiencies.
2. **Negotiation and Restructuring:** Engaged in negotiations with lenders to restructure existing debt, securing longer terms and favorable interest rates.
3. **Cash Flow Alignment:** Restructured debt to match SteelWorks' cash flow cycles, ensuring sustainable debt servicing capabilities.

## **Results:**

- **Improved Debt Profile:** SteelWorks achieved a 30% reduction in total debt burden through negotiated terms and optimized structures.
- **Enhanced Liquidity:** Extended debt maturities improved SteelWorks' liquidity position, mitigating short-term cash flow risks.
- **Stability and Growth:** With a more sustainable debt structure, SteelWorks gained stability, enabling them to focus on growth initiatives and weather market uncertainties.

## **Testimonial:**

*"EROP Advisory's debt advisory and restructuring expertise was instrumental in stabilizing our financial position. Their strategic negotiations and tailored solutions have significantly improved our debt profile, providing a solid foundation for growth."*

CFO, SteelWorks Ltd.

## **Conclusion:**

The engagement of EROP Advisory was crucial for SteelWorks' sustainable growth. By implementing a tailored financial restructuring plan, SteelWorks achieved cost savings, improved profitability, and regained investor confidence, setting a strong foundation for future expansion. Despite the financial cost of engaging EROP, the substantial financial benefits realized by SteelWorks underscore the value of strategic consulting.