PRACTICE GUIDE | M&A; TRANSACTIONS IN PRACTICE

Score the carve-out. Write the memo. Find the agreement.

Use the Synopsys Software Integrity case to turn a sourced term sheet and transfer map into an Excel comparison, a one-page CFO memo and a document request.

The recorded result

The model scores the stock option 3.55 and the asset option 2.45 under the original weights. It later leaves all 102 undisclosed cells in the transfer workbook unchanged. The score ranks assumptions. The cell count tracks evidence still missing.

How to use this guide

Page 2 introduces M&A Institute courses. Page 3 sets up your source files. Pages 4 and 5 preserve original AI Lab 3 prompts 3 to 5 and add checks for your own run.

Keep the case historical

Read the scores and negotiation conditions as teaching outputs. Keep assumptions, disclosed facts and questions for the deal team visible as separate fields.

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PREPARATION

Gather the evidence before scoring

Open the previous exercise files

Continue with the term sheet, scope and consents workbook, and cited filings from Part 1. Keep the dated evidence alongside the editable workbook. Confirm that your AI environment supports web search and downloadable Excel and Word files.

Open the historical source set

Read the May 2024 Form 8-K, the October completion Form 8-K, and the Q3 and annual filings. Record the document, date, location and units for each material fact.

May 2024 Form 8-K

October 2024 Form 8-K

Q3 FY2024 Form 10-Q

FY2024 Form 10-K

Save an unchanged baseline

Copy the transfer workbook before any update. Keep the original scores, weights and count by sheet so you can trace every later change. Obtain the operative agreement and relevant schedules when available.

ORIGINAL EXERCISES | 3 AND 4

Build the Excel and Word files

3. Score a stock sale against an asset sale

Build an Excel decision matrix scoring a stock sale against an asset sale for this business on liability exposure, tax consequences for the seller and the buyer, third-party consents, employee transfer, speed to close and separation complexity. Base every score on the term sheet and the scope list, cite the source for each, make the weights adjustable and show the recommended structure.

Open the Matrix sheet and trace one weighted contribution. In the recorded file, the buyer-tax row contributes 0.30 to stock and 0.60 to assets at its 15% default weight. Seller tax is 3 / 3 because the source set leaves basis open. Change a weight in a copy, then inspect the formula and the recommendation.

4. Write the one-page CFO memo

Write a one-page recommendation to Synopsys's CFO on the structure for this sale, using the term sheet, the scope list and the decision matrix. State the recommended structure, the reasons from the disclosed terms, what the structure means for each side's tax position, and the three conditions to negotiate. Save it as Word.

Compare the memo with the workbook. It proposes an equity sale with a limited asset transfer, then conditions on liabilities, a possible tax election and separation. Check the operative documents and advisers' analysis before treating a proposed term as an agreed one.

ORIGINAL EXERCISE | 5

Find the agreement and audit changes

5. Retrieve the missing document

The memo says the executed agreement was not found. Find the Equity Purchase Agreement for this sale on SEC EDGAR, read it, and update the scope and consents workbook: replace every Not disclosed cell the agreement settles, and tell me how many Not disclosed cells remain.

Verify the first answer and the actual file

The recorded run did not retrieve the agreement and left the file unchanged. Its summary contains 102 cells marked Not disclosed. They may cover related issues. Check the result against the file itself and treat a failed retrieval as a limit of that search.

Recount by sheet

Entities 8, Assets 19, Contracts 12, Employees 9, IP 12, Liabilities 18, Consents 11 and Transition services 13. Total 102. Compare your actual results with the summary and retain the original file.

Update only what you can trace

If you obtain the agreement, open the clause or schedule cited for each update. Record its location, save the revised file separately and assign an owner for each material gap still open.