

# Break-up Fee

This is a penalty set in takeover agreements, to be paid if the target backs out of a deal to sell itself.

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# Bank Guarantee

This is a promise from a bank or other lending institution that if a particular borrower defaults on a loan, the bank will cover the loss.

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# Stock Consideration

This is the portion of the purchase price given to the target in the form of shares of the acquirer's stock.

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# Share Issuance Discount

This is any discount (if any) to the current market price that will be used to determine the number of shares the target receives.

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## **Share Exchange Ratio**

This is the offer price divided by the acquirer's share price.

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## **Sensitivity Analysis**

This is a method of testing how sensitive certain outputs in a financial model are to changes in certain assumptions.

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## **Revenue Enhancements**

These are increases in revenue that are expected due to cross-selling, up-selling, pricing changes, etc.

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## **Restructuring Charges**

These are any fees or charges related to early debt repayments that are part of a restructuring.

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# **Purchase Price Allocation**

This is the breakdown of the total purchase price between net identifiable assets and goodwill.

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# **Pro Forma Shares Outstanding**

This is the number of shares outstanding after the transaction has closed and additional equity has been issued.