

Leveraged Finance Primer – 100

The purpose of this course is to provide participants with a comprehensive understanding of the leveraged finance markets including, an overview of the leveraged finance markets.

Structural Classification of Debt

- Corporate and Legal Entity Structure
- Rating Debt Issues and Issuers

Overview of Various Debt Financing Alternatives

- High yield bonds
- Leveraged loans
- Secured debt vs unsecured debt
- 1st lien and 2nd lien structures
- Asset Based Loans
- Unitranche loans
- Convertible debt
- The role of CDS in hedging and directional investment strategies.

Types of Underwriting Structures

- Best Efforts
- Fully Underwritten (Bought Deals and Stapled Financings in sales processes)
- Club Deals
- The Role of Private Credit
- The Underwriting Process
- Deal process
- Timing
- Pricing.

The structure of the Syndicated Loan Market

- TLA and TLB market
- The role of the arranger and various agents
- Types of LSTA trading documentation
- Syndicated loan fee calculations.

Overview of LBOs

- How value is created via an LBO
- Sample LBO structure
- IRR and MOIC calculations
- Leveraged Recapitalization

Calculating Interest Expense

- Calculating Interest Expense
- Revolver Interest Expense
- TLA Interest Expense and Amortization
- TLB Interest Expense and Amortization
- PIK Note Interest Expense
- OID Interest Expense

Calculating Yields

- Yield-to-Maturity
- Yield-to-Worst, Yield-to-Call)
- Tender offers and repricing.

Tender Offers and Debt Repurchases

- Exercising Call Option
- Change of Control Put
- Tender and Refinancing
- Types of Tenders
- Dutch Auction
- Pro Rata Tender
- Waterfall Tender
- Open Market Repurchase