



ADVANCED CAPITAL STRUCTURE MODELING

SUMMARY:

This full-day advanced capital structure modeling seminar is a challenging session geared towards experienced investment banking analysts and associates. The goal of the session is to ensure that bankers are completely comfortable building complex debt concepts into a financial model.

Assignments, handouts and examples will be used throughout the day.

Timing: This course requires 1 day

Experts in financial
modeling training

(416) 583-1802
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LEARNING TOPICS:

Key Debt Concepts

- ✓ Discuss some key features and design considerations for complex pieces of debt
- ✓ Learn to model a convertible bond and understand the following key convertible concepts:
 - pricing a convertible bond
 - conversion premium
 - conversion rate
 - allocating the bond to both debt and equity
 - the option value implied in the equity
- ✓ Incorporate Mezzanine debt with non-cash PIK interest that toggles based on the company's leverage
- ✓ Create a bridge loan in the model to be used in an M&A situation
- ✓ Build in a flexible revolving credit facility with a cash sweep
- ✓ Learn to incorporate a minimum cash balance so that the cash account never drops to zero
- ✓ Model various tranches of Senior Notes and Term Loans with various repayment mechanisms
- ✓ Properly incorporate all the capital structure elements into the financial statements and balance the balance sheet

Model Circularity

- ✓ Review circularity within financial models and learn to create a "circuit breaker" to fix a crashed model
- ✓ Learn why models are often circular, and which pieces of debt contribute to the model's circularity
- ✓ Use the circular reference toolbar to identify inappropriate circular references within a model

*Learn to build multiple pieces of complex debt
into a financial model*