

Case Study

Transaction Advisory

Client Profile

A global investment bank's direct lending team

Transaction Snapshot

Size - \$16 million
Jurisdiction - US
Asset Type – Direct Lending

About Oxane Partners

Oxane Partners provides bespoke solutions to alternative investment firms throughout their investment lifecycle. Since inception, Oxane has supported more than 40 financial institutions of all sizes including hedge funds, private equity funds, asset managers and investment banks across all major asset classes and jurisdictions.

To talk about our expertise and solutions offering, please reach us at: info@oxanepartners.com

Background

The bank wanted to evaluate a direct lending transaction to a private medical device company in the US via a senior secured credit facility with an equity kicker / warrants option with a maturity of five years.

Oxane's Approach

Oxane's team performed a comprehensive credit analysis of the company helping the client in their go no-go financing decision. The team comprised of a Financial Analyst and a Vice President well versed with the business drivers for the US healthcare industry.

Oxane supported the client under the following areas :

Revenue Forecasting

- Analyzed the products and services of the company to forecast the revenues for the next five years – both product wise as well as geography wise

Cost Estimation

- Estimated future costs to analyse the impact on free cash flows available for debt servicing

Cash flow Modelling

- Prepared a comprehensive cash flow model with inputs from detailed due-diligence and sensitivity analysis with base/upside/downside scenarios

Business Valuation

- Performed the current market and the future market valuations to evaluate exercising the equity convertible option

Debt Schedule

- Created comprehensive debt amortization schedule to see how the debt will be repaid under all the three different scenarios

Credit Memo & One Pagers

- Created a credit memo by using a top down research framework and Porters Five Forces and SWOT Analysis
- Created comprehensive borrower summaries and one-pagers to aid the due-diligence process