



CASE STUDY

Advising on a Large Financing Transaction with an Embedded Equity Derivatives Component

FTI Consulting advised a client (the “Client”) and their counsel (“Counsel”) on the structuring, pricing and execution of a large and complex financing transaction over a short timeframe.

SITUATION

The Client needed to raise approximately \$400 million in a timeframe of less than two weeks and had selected a top tier US bank (the “Bank”) to underwrite this financing transaction. The Bank offered several options, including complex financings with embedded equity derivative structures based on some of the Client’s existing equity holdings.

The Client engaged FTI Consulting to assess the Bank’s financing proposals and help structure alternative solutions aligned with the client’s objectives and liquidity profile. FTI Consulting was also tasked with valuing the choices and advising on the execution of the transaction to minimize market impact and improve the result for the Client.

OUR ROLE

FTI Consulting worked with the Client and Counsel to understand the requirements of this financing transaction, the Client's overall strategy, and the liquidity of their assets.

The team analyzed the Bank's proposals using our proprietary analytics and risk management system, FTI Quantum, to evaluate the appropriateness of the structures and to confirm the prices offered were competitive and the risks were within the Client's tolerance level.

FTI Consulting worked collaboratively with the Bank to construct alternative financing options that further met the client's objectives and provided a superior risk profile.

The team provided the client with critical advice on the valuation of the financing structures and helped negotiate with the Bank in order to achieve more favorable financing terms.

We provided market and trading expertise in the negotiation of the ISDA agreement and other legal documentation supporting the transaction.

We advised the Client on an optimal equity trading strategy, the execution of which was necessary to finalize the parameters of the financing. FTI Consulting managed liquidity constraints to obtain a strong outcome for the Client.

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OUR IMPACT



By leveraging our derivatives trading expertise, as well as our proprietary FTI Quantum system, we helped the client evaluate the different financing proposals to find the best fit for their strategy, risk appetite, and cash requirements.



The Client selected one of FTI Consulting's proposals and was able to raise the necessary financing on time and to achieve more favorable terms.



Counsel stated that they were “*incredibly impressed by the quality and timeliness of [FTI's] work*” and that FTI Consulting was “*a perfect fit, amazing to work with and provided invaluable advice.*”