

Winston Hosts Presentation on Leveraged Finance Fundamentals

APRIL 23, 2024

Winston & Strawn's Finance partners were pleased to host a webinar titled "Leveraged Finance Fundamentals," in partnership with First Citizens Bank.

Partners Mats Carlston, William Egler, Rachel Gray-Pundir, and Jason Jun led an engaging presentation on the fundamentals of leveraged finance; including leveraged buyouts, LBO acquisitions and financing structure, leveraged loans, leverage and EBITDA, and liability management transactions.

KEY TAKEAWAYS

- The definition of EBITDA, specifically the run-rate addback, and the negative covenant sections are some of the most highly negotiated sections of a credit agreement.
- Lenders take security interests in the equity and assets of borrowers and their subsidiaries in order to ensure that they are not only structurally subordinated but also have priority as director creditors in the event of bankruptcy or a restructuring.
- In order to have financing certainty, Sponsors want conditionality to commitment papers to be very tight and align with the conditions to the Acquisition Agreement.
- Direct lender and private credit deals tend to be Term Loan B deals, which have shorter maturity periods.

[Watch the presentation here.](#)

1 Min Read

Speaker

[Mats G. Carlston](#)

[William D. Egler](#)

[Rachel Gray-Pundir](#)

Jason Jun

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