



**EA Markets**

ADVOCATES IN THE FINANCIAL MARKETS

## **Are You Bank Ready?**

***Financial Executives Networking Group***

**Presented by Reuben Daniels**

**September 27, 2012**



*Class A Common Stock*  
*Amendment No. 8 to Form S-1*

<b><i>Morgan Stanley</i></b>	<b><i>J.P. Morgan</i></b>	<b><i>Goldman, Sachs &amp; Co.</i></b>
<i>BofA Merrill Lynch</i>	<i>Barclays</i>	<i>Allen &amp; Company LLC</i>
<i>Citigroup</i>	<i>Credit Suisse</i>	<i>Deutsche Bank Securities</i>
<i>RBC Capital Markets</i>	<i>Wells Fargo Securities</i>	

"In February 2011, we entered into a credit agreement with five lenders, including affiliates of Morgan Stanley & Co. LLC, J.P. Morgan Securities LLC, Goldman, Sachs & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, and Barclays Capital Inc...Concurrent with our entering into the new revolving credit facility, we entered into a bridge credit facility with the lenders that are parties to our new revolving credit facility"

# The Truth About Bank Capital

## Myth

## Truth

**“There is no Money  
for Lending”**

**There is as Much  
Money as Ever**

**“Credit Quality is  
a Determinant”**

**Credit Quality is Just a  
Condition Precedent**

**“My Banker Works  
for Me”**

**The Banker Serves the  
Bank’s Shareholders**



# Raising Bank Capital

**Large Cap Revolver**

**Cross-over Supplemental Facility**

**Initial Credit Facility**

**Acquisition Facility**

## **Loan Arrangement**

Advise on refinancing of a multi-billion dollar revolving credit facility and support annex

## **Supplemental Facility**

Advise on design and execution of an innovative alternative to the traditional amend & extend

## **Initial Bank Loan**

Advise on facility terms and covenant structure of a first-time credit facility

## **Acquisition Finance Facility**

Advise on developing a comprehensive financing plan to fund a multi-billion dollar acquisition

# Bank Perspective on Capital

The Situation

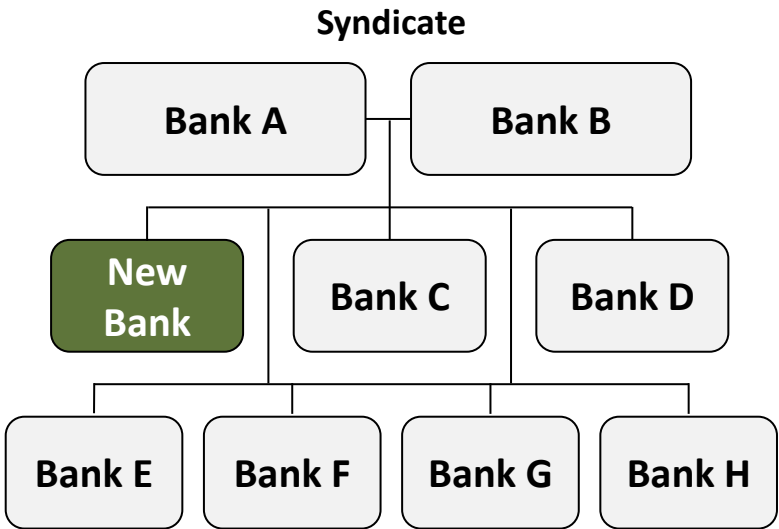
Bank Perspective

## ABC Industries, Inc.

Company	
Industry	Manufacturing
Region	Americas, Europe
Profile	Company is growing, engages in bolt-on acquisitions
Credit Rating	BB+

Financials	
Market Cap	\$1.2bn
Total Debt	\$400mm
Leverage	1.5x
Revenue	\$1.4bn
EBITDA	\$260mm
FCF	\$80mm
Cap Structure	Convertible bonds (\$400mm)

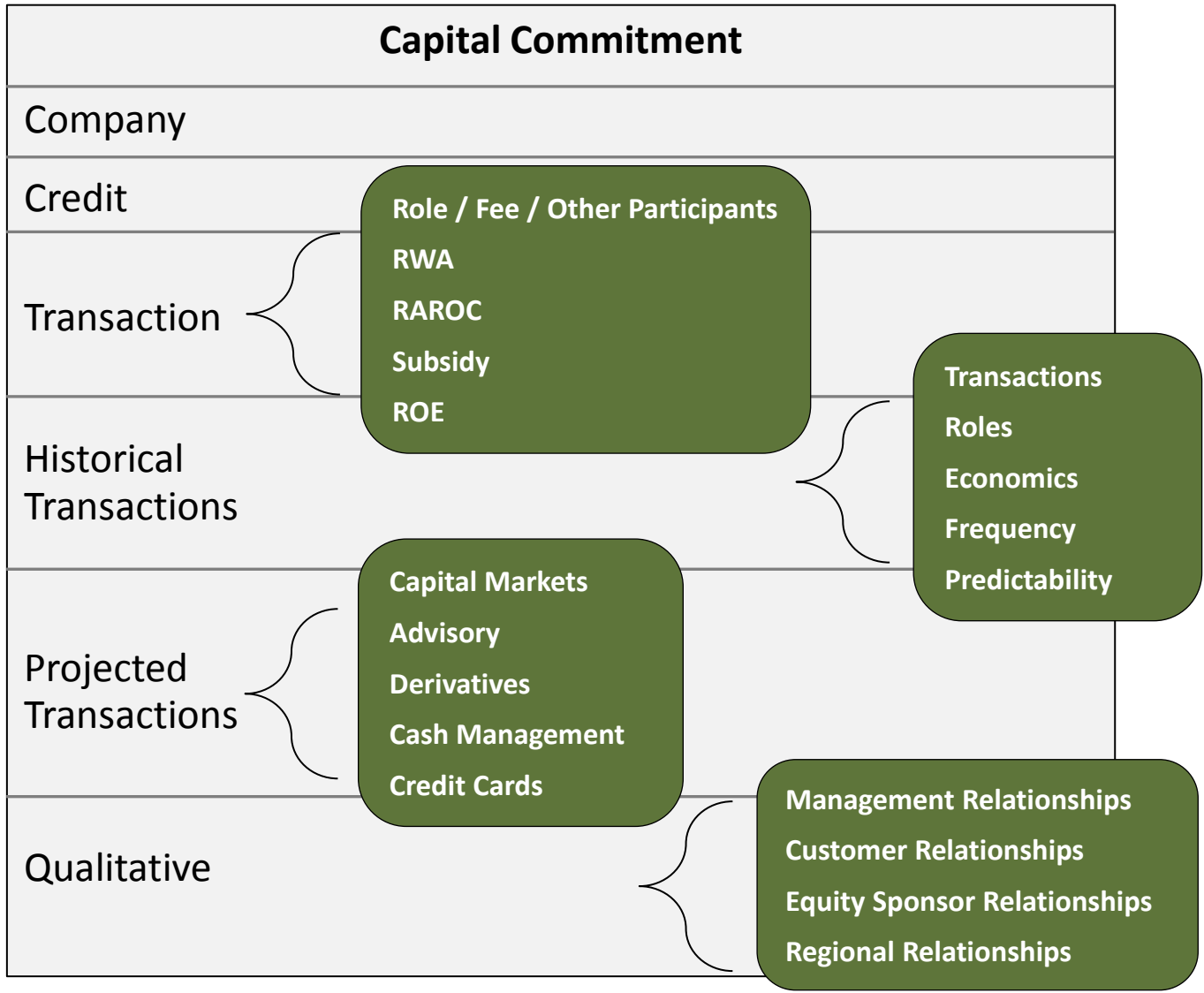
Transaction	
Size of Borrow	\$500mm
Capital	Initial Bank Facility – \$200mm RCF, \$300mm Term Loan A
Closing Date	December 2012
UOP	General corporate purposes
Repayment	Cash flow from operations



# Bank Perspective on Capital

**The Situation**

**Bank Perspective**



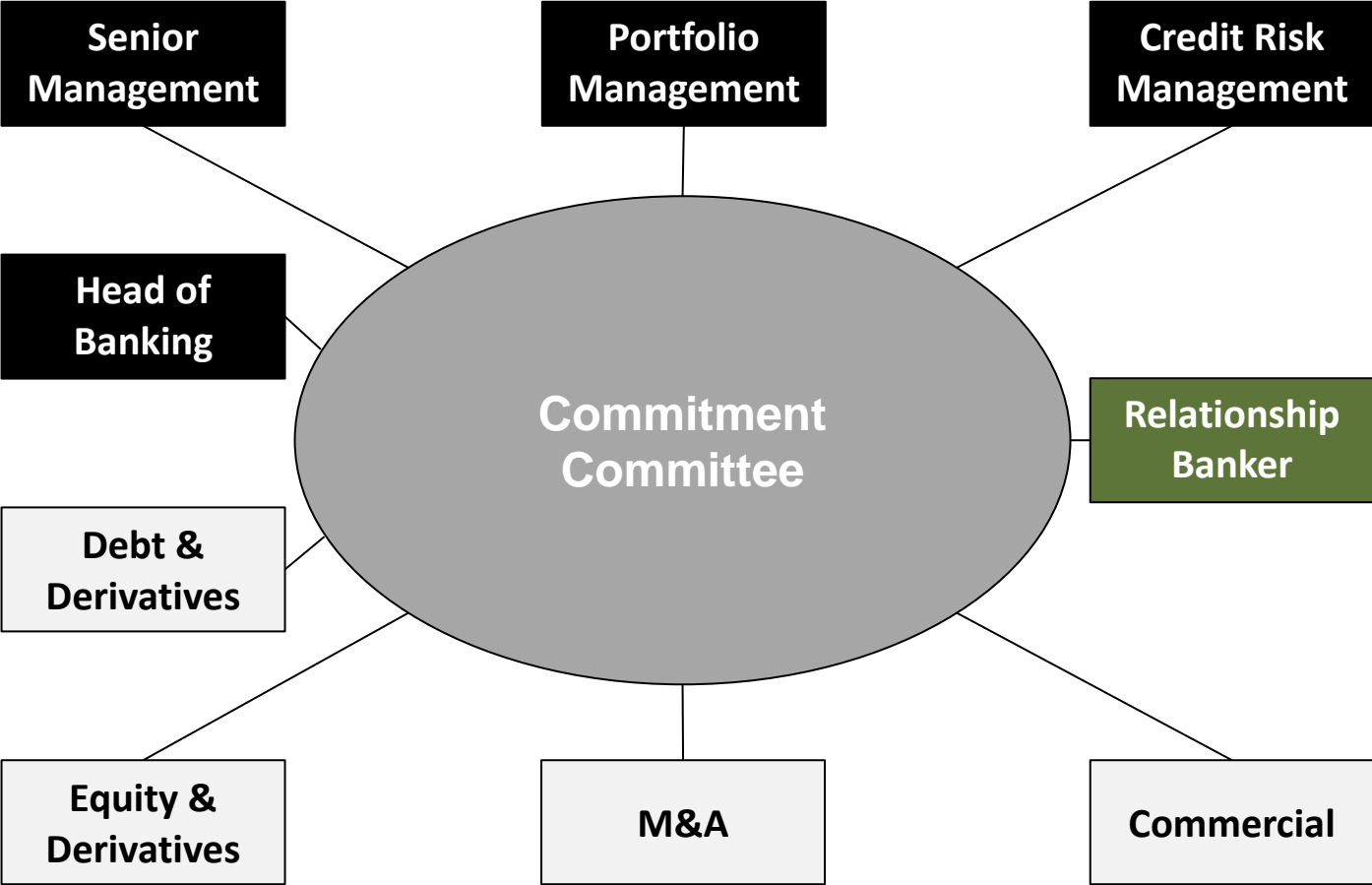
# Preparing to Raise Bank Capital

**Know the Decision Makers**

**Appreciate Your Value**

**Recognize the Conflicts**

**Be Ready**



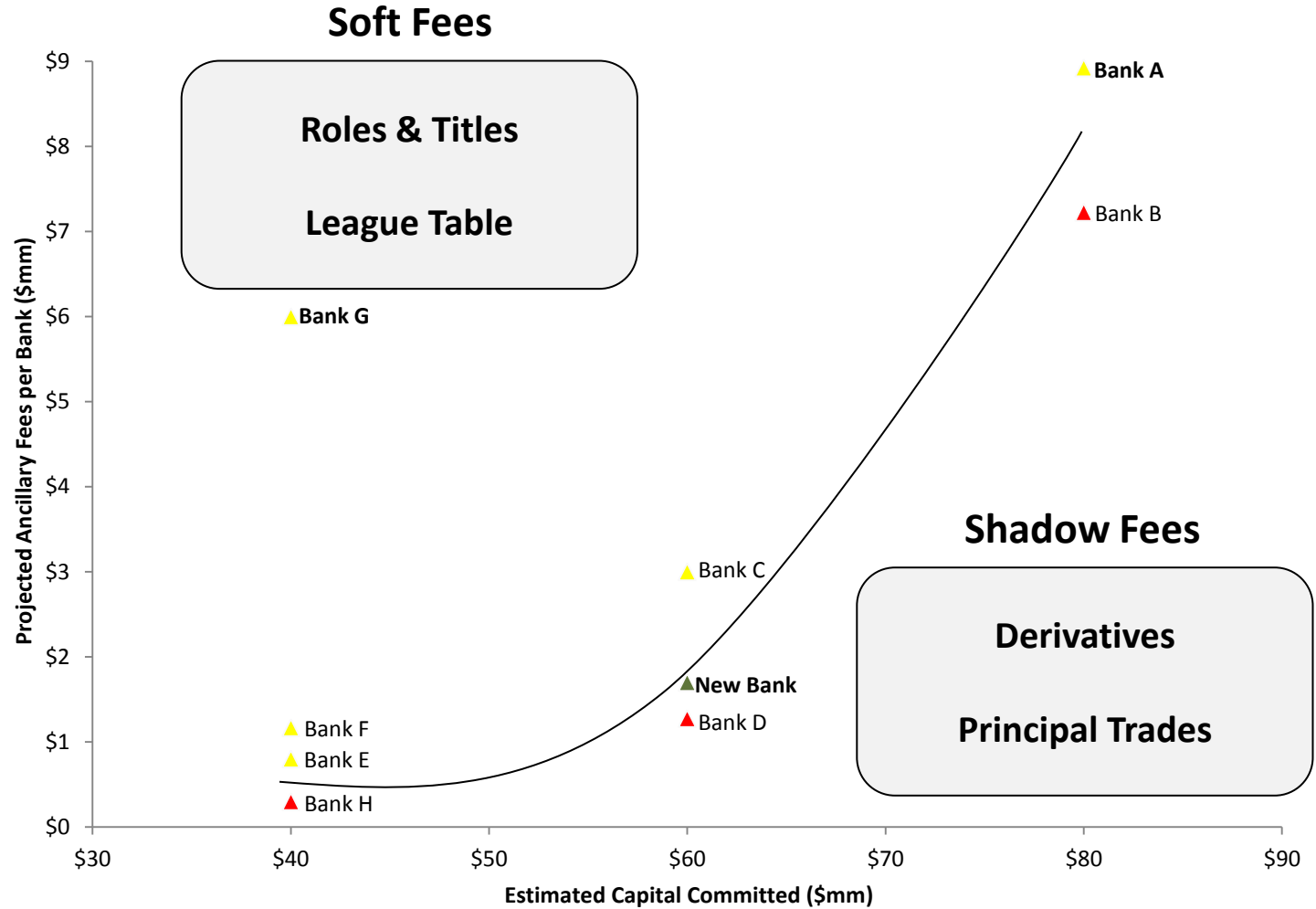
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# Preparing to Raise Bank Capital

Alignment: Create common interest to achieve beneficial outcomes

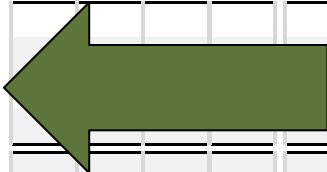
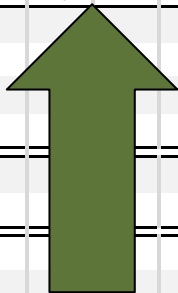
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Target Bank	Status				Capital Markets					Advisory			Cash Management				
	Credit Rating	Competitor Facilities	Target	Dialogue	Bank	Bonds	Share Repurchase	Convertible Bonds	IPO	Secondary Offerings	M&A	Capital Structure	Fairness Opinions	Regional	Lockbox	Deposits	Credit Cards
Bank A - Major																	
Bank B - Major																	
Bank C - Major																	
Bank D - Major																	
Bank E - Inv Bank																	
Bank F - Inv Bank																	
Bank G - Regional																	
Bank H - Regional																	
New Bank - Regional																	
Bank I - Regional																	
Bank J - Europe																	
Bank K - Canada																	
Bank L - Japan																	
Bank M - Mid-Mkt																	
Bank N - Mid-Mkt																	
Bank O - Specialty																	
Bank P - Specialty																	



# Preparing to Raise Bank Capital

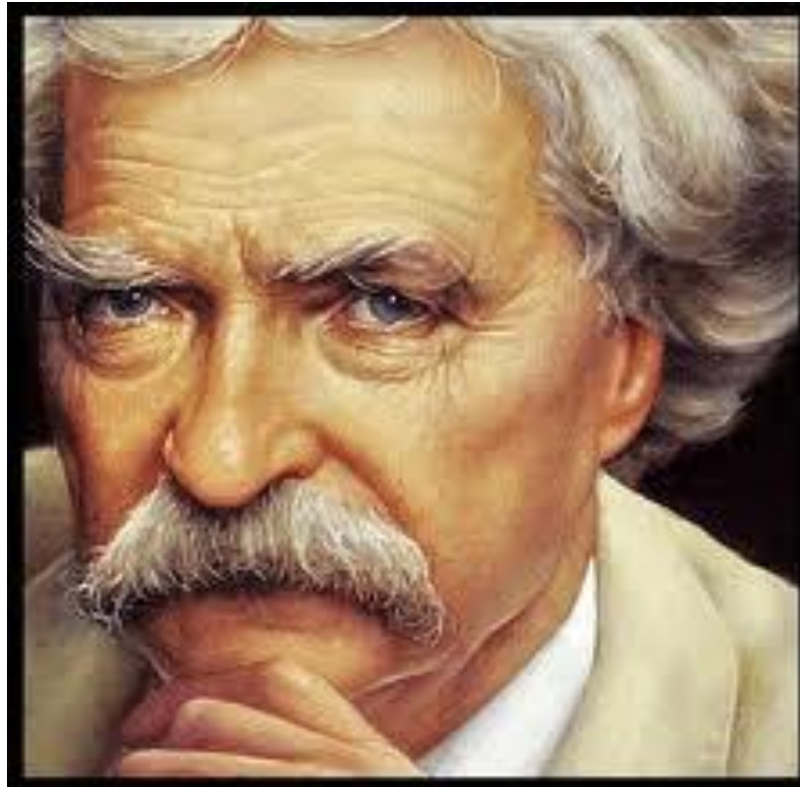
Know the  
Decision Makers

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Scarcity: Create favorable supply and demand balance



*In order to  
make a man  
or a boy covet  
a thing, it is  
only necessary  
to make the  
thing difficult  
to attain.*

**-Mark Twain, 1876  
*The Adventures of  
Tom Sawyer***



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\*Source: 2010 CDFA Annual Summit, May 13, 2010



# Preparing to Raise Bank Capital

**Know the  
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**Appreciate Your  
Value**

**Recognize the  
Conflicts**

**Be Ready**

## Markets

### Comparables

- Do your own

### Conditions

- Monitor the markets

## Transaction

### Term Sheet

- Identify best terms

### Economics

- Create alignment

## Bank Targeting

### Business Case

- Appreciate the value drivers

### Syndication

- Understand banks' agendas

## Execution

### Documentation

- Run the process

### Communication

- Drive the market dialogue



**There is Abundant Bank Capital Available,  
When my Company is Positioned Correctly**

**Credit Quality May Be a Condition Precedent, but  
Business Relationship Dominates the Decision**

**Alignment of Interests Makes  
Your Banker Work for You**



[www.eamarkets.com](http://www.eamarkets.com)



# Speaker Biography

## Reuben Daniels



Reuben Daniels is co-founder of EA Markets and serves as Chief Client Officer and Managing Partner. Before launching the firm in 2009, Reuben was Managing Director and Co-Head of U.S. Investment Banking with Barclays Capital in New York. In addition to his management and client coverage responsibilities, Reuben chaired capital commitment and various other management committees in investment banking. Reuben also served as Head of the Communications and Entertainment Group with client coverage and origination responsibilities throughout the sector and across all capital markets products. Prior to Barclays, Reuben served as Managing Director with Deutsche Bank with responsibility for U.S. Telecom, Media and Technology companies with whom he focused on debt and equity market issuance, structuring, and derivatives risk management origination. Reuben began his investment banking career with JP Morgan where he held various posts, including Head of U.S. Corporate Swaps Marketing. Prior to banking, Reuben was a management consultant with Price Waterhouse, and he earned a Bachelor of Science in Economics from the Wharton School at the University of Pennsylvania. Reuben is a Trustee of Big Brothers Big Sisters of New York, and he lives in New York City with his wife and three children.

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