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COVENANT REVIEW: UNDISPUTED AUTHORITY ON BOND & LOAN COVENANTS

2023

COVENANT REVIEW

The market's trusted authority on covenant analysis and insights for bonds and loans.

Our Expert Lawyers Help You to Make Informed Decisions

Use Covenant Review to gain insight into market trends, competitive landscape and deal comps. Our 25+ strong team of expert lawyers creatively analyzes the indentures, credit agreements, and other contracts that determine creditor rights.

Covenant Review covers every new issue of USD 250m+ in the market, providing analysis of the term sheet available within 24 hours after release, follow-up analysis on the draft credit agreement and updates on the final agreement. Use our analysis of key credit agreement loopholes and weaknesses to protect your investments and understand potential risks for creditors.

25+

Lawyers

16

Years of Research

5000+

Bonds/Loans

1400+

Issuers

Going Beyond the Obvious

Use our event-driven research to understand complex covenant language, assess likely risks and the potential impact on creditors. We also help you keep up with changing market trends for transactions and credit activities.

EVENT-DRIVEN RESEARCH

Special reports on borrower activity that may affect investors. Regular trend reports on select data points.

DATA TOOLS

Tools to compare covenants, analyze precedents and trends for lenders and borrowers, and Covenant Review's proprietary Documentation Scores to assess risk in documentation.

NEW ISSUE RESEARCH

Complete analysis of offering memorandums, term sheets, and credit agreements, as well as thorough updates on final terms and substantive amendments.

EXPERT ANALYSIS

Access to our expert lawyers for additional insight and hypothetical scenarios.

HIGH YIELD BONDS & LEVERAGED LOANS

Covenant Review provides detailed analysis and commentary on high yield bond and leveraged loan covenants. In addition to comprehensive reports on the terms of deals in the primary and secondary market, we provide timely event-driven and credit-driven analysis, putting covenant implications into context.

Our New York and London-based lawyers have an average of 15 years' experience drafting bond and loan documents at top-tier firms. They are experts at breaking down complex covenant 'legalese' into plain English, identifying off-market and aggressive terms, explaining risks and recommending pushback points.

COMPREHENSIVE COVENANT ANALYSIS

Bond and loan documents contain hundreds of pages of dense contract language. We carefully analyse the fine print to identify loopholes and aggressive terms, identifying risks and providing specific drafting suggestions that clients can take to the underwriters to improve terms and alleviate some risk.

- We provide rapid feedback on draft terms for deals in pre-marketing, identifying critical issues prior to the deal's official launch and helping investors address covenant concerns ahead of the launch date. And our lawyers are on hand to answer investors' questions and review any proposed drafting changes.
- Our comprehensive reports on term sheets, preliminary credit agreements, and final provide detailed information on key covenant capacity, helping investors gauge the potential for incremental debt and lien incurrence. We also update our reports for add-ons and successful amendment and waiver requests.

DOCUMENT SCORING



The goal of the documentation scoring system is to measure the strength of the document in protecting lenders' position.



The scores comprise of an overall composite score that is derived from six sub-scores on a proprietary weighting scale.



The sub-scores evaluate collateral protection, default protection, lenders' pricing optionality, liquidity protection, reporting protection and junior debt prepayments.



Scoring is available at each stage of the syndication process, from pre-marketing to final credit terms.

EVENT DRIVEN RESEARCH & TREND LINE DATA

- Covenant Review's analysts keep an eye out for news and market developments that affect your loan investment and provide applied analysis.
- We consider the implications of key events under an issuer's outstanding bond covenants, putting the puzzle pieces together for investors in a clear and comprehensive report, and putting covenants squarely in their commercial context.
- Covenant Review provides in-depth analysis of covenant capacity for distressed issuers, explaining liquidity options and identifying potential maneuvers that could be unfavorable from a bondholder's perspective."
- Whether an issuer is undertaking a spin-off, being acquired in an LBO, selling an asset, conducting an exchange offer, or 'pulling a J. Crew,' we explain what its bond covenants do (or don't) permit.
- Covenant Review provides market trend data through a series of reports including:
 - Quarterly market updates.
 - Monthly Large Sponsor Versus the Field.
 - Monthly Documentation Score Sheet.
- We also provide timely topical TrendLines reports on developments that matter most to investors, including on financial covenant headroom, documentary flex, and average new issue debt multiples.
- We also analyze the implications of market-wide developments, such as the LIBOR phase-out and implementation of IFRS 16, and publish research on the implications for high yield bonds.

CONTINUING COVENANT EDUCATION

- Covenant Review subscribers have access to informative podcasts and seminars/webinars, along with our comprehensive library of educational materials.
- We regularly host Advancing Knowledge & Avoiding Pitfalls seminars designed to provide market participants with a comprehensive understanding of European leveraged finance covenants.
- Our Covenant Primer series and Plain English series provide easy-to-follow explanations of key bond and loan covenants, and intercreditor provisions.
- Our Bonds vs Loans series sets out structural and covenant differences between European high yield bonds and leveraged loans.
- Our Bankruptcy Basics series allows subscribers to have a basic grasp of US bankruptcy laws.
- Covenant Review's Office Hours podcasts recap our latest research and explore topical issues.

Your Needs. Our Coverage.

- Detailed library of analysis on 5000+ bonds/loans and 1,200 issuers.
- Holistic and comprehensive event-driven research that details W trends, competitor activity, and likely investor pushback.
- Thorough research reports on new issuer transactions that provide clear overview of covenant package, and commentary identifying major loopholes and weaknesses in creditor rights.
- Documentation Scores on more than 1,200 individual deals in the US and EMEA.
- Timely coverage of nearly every new issue in the market – and ad-hoc secondary market reports at client request.

Learn More

Get in-depth analysis and impact assessment on current and future leveraged finance deals from the market's trusted authority on bond and loan covenants. Access comprehensive analysis via a fully-featured research platform, plus lawyers with extensive covenant experience.

Contact us on **+1 (212) 340-3840 (US Region) / +44 (0)20 7429 2080 (EMEA Region)** or email us at subscriptions@creditsights.com to learn more and request a free trial.



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