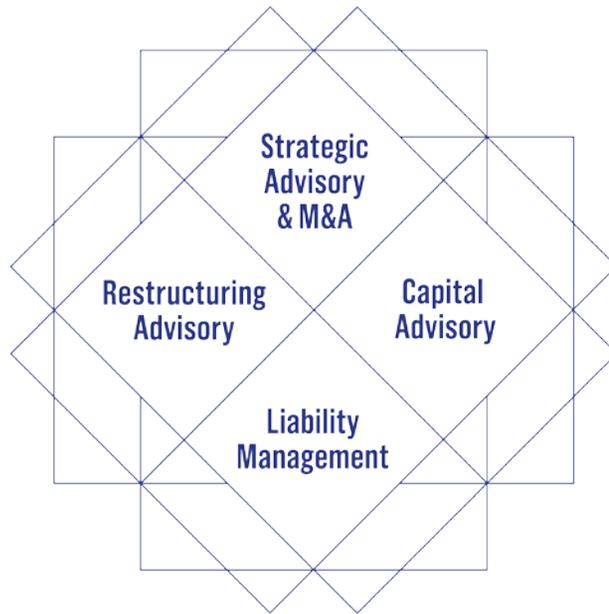


# Ducera Overview

## Firm Overview

Ducera Partners is an independent investment bank commonly relied on by decision makers to advise on the most complex and transformative transactions



## The Team

At Ducera, we believe that our greatest differentiator is the depth, scale, cohesiveness, and commitment of our team to each other, to our clients, and to other professionals.

- Our senior team has worked together for over two decades
- Ducera is 100% owned by its partners and is conflict free
- Ducera is led by Michael Kramer, a 25 year veteran of the investment banking industry
- Ducera has advised on some of the most relevant and complex transactions of the last 25 years

## How is Ducera Differentiated?

**Client-Centricity.** We are structured to provide direct senior-level advice that is in our clients' best interests and is built upon a foundation of trust and confidentiality

**Depth of Expertise.** Having advised on some of the most relevant corporate finance transactions of the past two decades, we have an unrivaled track record in large and complex deals

**Creativity and Versatility.** We look to all possible solutions – including those without precedent – to arrive at the optimal result for our clients

**Connectivity.** We have unparalleled ability to gather information, access decision makers, and efficiently utilize these resources to successfully deliver on our clients' ultimate objectives

**Collaborative.** Our team has worked together for the majority of our careers bringing diverse skills and expertise to the table thus allowing Ducera and our partners to function like a natural extension of our clients' teams

## Contact Us

# Ducera

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# Ducera

# Early Warning Signs of Distress

## Industry Early Warning Signs

- Technological (Paging)
- Input pricing (Energy)
- Regulatory (Coal)
- Foreign competition (Autos)
- Currency (Paper)
- Law suits / judgements (Asbestos)
- Consumer preferences (Food)
- Government budgets (Defense)

## Company Early Warning Signs

- Declining performance
- Reduced cash flow generation
- Cash below minimum operating levels
- Failed investments / projects
- Leadership attrition
- Customer concerns
- Change in relationship and terms with vendors
- Union / pension issues
- Competitor activity
- Fraud

## Capital Markets Early Warning Signs

- Declining equity capitalization
- Declining loan and bond prices
- Lenders trying to reduce exposure or implement dominion
- Transition of ownership in debt from traditional lenders to hedge funds
- Failed debt syndication or equity offering
- Negative research coverage
- Rating agency activity
- Short selling
- CDS activity
- Restricted availability of capital markets

# Key Triggers that Precipitate Distress

<b>Covenants</b>	<ul style="list-style-type: none"><li>▪ Non-compliance with covenants<ul style="list-style-type: none"><li>– Maintenance covenants typically tested on a quarterly basis</li></ul></li><li>▪ Common covenants include:<ul style="list-style-type: none"><li>– Financial maintenance: maximum leverage, minimum coverage ratios, maximum capital expenditures, minimum cash</li><li>– Incurrence-based: Limitation on debt, liens, restricted payments, transactions with affiliates</li></ul></li></ul>
<b>Liquidity</b>	<ul style="list-style-type: none"><li>▪ Insufficient proceeds from cash and revolver availability to fund minimum operating needs</li><li>▪ Insufficient liquidity can result not only from deteriorating operating performance but also from a tightening of trade terms</li><li>▪ A company's required minimum liquidity levels are typically well in excess of cash balances or revolver availability of zero</li></ul>
<b>Debt Maturities</b>	<ul style="list-style-type: none"><li>▪ Inability to refinance debts as they come due through internally generated cash or access to the capital markets</li><li>▪ "Stacked" or multiple debt maturities in a short time period often impact the ability to access capital markets efficiently</li></ul>
<b>Other Exogenous Factors</b>	<ul style="list-style-type: none"><li>▪ Qualified audit opinions</li><li>▪ Capital markets conditions</li><li>▪ Unfavorable lawsuits / judgements</li></ul>

# Strategic Alternatives to Address Distress

