

NUS Investment Society

Fixed Income Department | Recruitment Case 1

AY 2024/2025

SELECTED COMPANY

Company	The Wendy's Company (" Wendy's ")
Domicile	USA
Bloomberg Ticker	WEN:NASDAQ GS
Credit Rating (M/S/F)	B3 (Stable) / B+ (Stable) / -
Classification	Restaurants
Description	The Wendy's Company is one of the largest quick-service restaurant companies in the hamburger sandwich segment in the US. The chain consists of about 5,995 Wendy's restaurants in operation in the US, roughly 405 of which are owned and operated by the company; the rest are franchised. In addition, it has about 1,100 Wendy's restaurants in operation in over 30 foreign countries and US territories. Its restaurant offers an extensive menu specializing in hamburger sandwiches and featuring filet of chicken breast sandwiches, it also serves chicken sandwiches, chicken nuggets, baked potatoes, freshly prepared salads, soft drinks, Frosty desserts, and kids' meals. Dave Thomas opened the company's first restaurant in Columbus, Ohio in 1969 and named it after his daughter.

SCENARIO

You are part of the Treasury department of the Wendy's.

The CFO is looking to refinance an upcoming maturing bond of USD90m (WEN 7.000% USD 12/15/25).

Moreover, the CEO has laid out an expansion plan into the South American market over the next 10 years and requires USD110m for working capital and capital expenditures.

Upon careful consideration of the available funding options across various banks, capital market, and funds, you have shortlisted the following two term sheets – Option (A) Bank, Option (B) Private Credit.

DELIVERABLES

- 1) One **PowerPoint** Deliverable: Maximum 5 slides, excluding cover page and strictly no appendix allowed. Briefly describe the following:
 - a. Industry Overview
 - b. Credit Theses – Positive & Negatives (minimum 2 each)
 - c. Term Sheet Selected & Justification
- 2) One **Excel** Deliverable: Conduct Financial Spreading on Excel on the 2 Financial Statements of the Selected Company (i.e., Income Statement and Balance Sheet) and arrive at the following financial metrics. The metrics calculation must not be hardcoded.
 - a. Gross Leverage
 - b. Net Leverage
 - c. Gross Gearing
 - d. Net Gearing
 - e. Tangible Net Worth

A 3-Statement Model is not compulsory.

SIMPLIFIED TERM SHEETS

	Option A: Bank	Option B: Private Credit
Arranger	City Bank	Greenstone Capital
Lender	City Bank	Greenstone Capital
Facility	USD Term Loan	
Facility Amount	USD200m	
Tenor (Door-to-Door)	3 Years	5 Years
Use of Proceeds	Refinancing, Working Capital & Capital Expenditure	
Repayment	Amortization (refer to Schedule)	Bullet at maturity
Ranking	Senior Secured	Senior Secured
Financial Covenant	<ul style="list-style-type: none"> Consolidated Net Leverage of $\leq 8.0x$ Consolidated Debt Service Coverage Ratio ("DSCR") $\geq 1.2x$ 	<ul style="list-style-type: none"> Consolidated Net Leverage of $\leq 10.0x$
Upfront Fee (flat on Facility Amount)	150bps	250bps
Base Rate	3M Term SOFR	
Margin (p.a.)	200bps	400bps

SCHEDULE

Period	Principal Repayment (%)
6	10%
12	10%
18	15%
24	15%
36	50%

SUBMISSION GUIDELINES

Title your **Email, PowerPoint, Excel Deliverables and RESUME** in the following format and email to **nusinvest.fi@gmail.com**.

Please save your PowerPoint and Resume in a **PDF** format.

NAME_MATRIC NUMBER_FACULTY_ACADEMIC YEAR_DOCUMENT

(e.g "Tan Xiao Ming_A0123456X_Business_Y1_Credit Pitch.pdf")