



## Overview

This course builds on the Corporate Cash Flow Analysis and Corporate Credit Rating Analysis courses to bring a credit professionals' analytic skills to an advanced level. Advanced Corporate Credit Analysis brings together the key elements of credit analysis and focuses on some of the more complex issues that credit professional must address when evaluating credit risk and relative returns. The topics addressed include determining sources of repayment in complex group structures, effectively using peer analysis to evaluate historical performance, using sector information and company strategy to anticipate future performance, evaluating M&A transactions and the appropriateness of the funding structures and determining the degree of protection and the ability to enhance protection in corporate loans and bonds. Each credit issue will be analyzed both from a theoretical and a practical perspective, using recent market examples. The topics covered enable credit practitioners to review real market situations and assess the cash flow and credit implications.

## Course Benefits

### BY THE END OF THIS COURSE, YOU WILL BE ABLE TO:

- » Evaluate credit risk in complex group structures
- » Use peer analyses to assess management's strategies and determine an outlook for a company's future performance
- » Assess complex capital structures and the related credit implications for each provider of capital
- » Describe the drivers behind "event risk" and understand how to anticipate such issues and analyze a credit after one has occurred
- » Assess the appropriateness of a company's M&A strategy
- » Identify early warning signs of financial distress

## Who Should Attend?

Any credit professional wishing to take their analytic skills to an advanced level.

### PROGRAM LEVEL

Advanced

### PREREQUISITES

Corporate Cash Flow or Corporate Credit Rating Analysis or at least 3 years of credit analysis experience or passed the CFA exam

### ADVANCED PREPARATION

None



## Course Agenda

MODULES	TOPICS
<b>1</b> <b>A Review of The Foundations of Credit</b>	The Key Factors that Impact Credit Risk A Fundamental Approach to Credit Analysis Understanding Sources of Repayment and the Impact on Credit Risk
<b>2</b> <b>Peer Analysis</b>	Using Industry Knowledge to Identify the Key Drivers of Credit Risk Evaluating Company and Peer Performance to Determine the Factors that are Critical to Future Success Adjusting Financial Statements for Consistent Comparisons Identifying the Key Drivers of Future Performance Evaluating Projections Within the Context of Competitor Performance and Strategies Building Sensitivity Analyses Incorporating Operating Leverage and the Impact of Cyclicity in Projections
<b>3</b> <b>Conglomerates and Complex Group Structures</b>	Why Do Group Structures Become Complex? Complex Group Structures and the Impact on Credit Risk The Rationale for Conglomerates Analyzing Finance Subsidiaries: Rationale and Need for Support Evaluating the Impact of Joint Ventures, Spvs and Other Structures
<b>4</b> <b>Complex Capital Structures</b>	Credit Ratings and the Impact on Capital Structures The Reasons for Different Layers Within a Capital Structure Payment Versus Lien Subordination and the Potential Impact on Recovery Rates Bonds Versus Bank Loans: Is There a Difference? Other Components of the Capital Structure    »    Hybrid securities »    Convertible bonds

MODULES	TOPICS
<b>5</b> <b>Event Risk</b>	What is "Event Risk"?
	The Reason for Country Ceilings
	The "Four Horseman" <ul style="list-style-type: none"> <li>» Leveraged Buyouts ("LBOs")</li> <li>» M&amp;A</li> <li>» Litigation</li> <li>» Accounting irregularities</li> </ul>
	Credit Analysis of LBOs <ul style="list-style-type: none"> <li>» LBOs versus strategic acquisitions</li> <li>» Private equity and their role in the capital markets</li> <li>» The purpose of leverage in an LBO</li> <li>» LBO capital structures: the goal and the risks</li> <li>» Why do some LBOs fail?</li> </ul>
	Credit Analysis of M&A Transactions <ul style="list-style-type: none"> <li>» The rationale for acquisitions and/or dispositions of business lines</li> <li>» M&amp;A and its impact on sources of repayment</li> <li>» Synergies: can they be achieved and what are the potential risks?</li> <li>» Some of the pitfalls of making acquisitions</li> </ul>
Accounting Irregularities <ul style="list-style-type: none"> <li>» Why do accounting issues occur</li> <li>» How to spot accounting problems</li> </ul>	
<b>6</b> <b>Early Warning Signs of Financial Distress</b>	How and When Companies and Industries Become Distressed
	Identifying Financial Distress <ul style="list-style-type: none"> <li>» Leading and lagging indicators</li> <li>» Financial and non-financial EWS</li> </ul>
<b>7</b> <b>Final Case Study</b>	Delegates will be required to create a comprehensive credit analysis, present it and answer questions about their conclusions.

# Why Moody's Analytics?

## Current and Consultative

We work with you to understand the distinct needs of your organization to design, implement, and track the performance of your learning programs from end-to-end, including skills assessment, program design, implementation, evaluation, and enhancement.

## Comprehensive Coverage

We offer a broad set of technical and soft skills programs that can be combined and adapted to the needs of your staff. Our areas of expertise include banking, finance, sales, finTech, negotiation and leadership development.

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Moody's Analytics offers customized training and eLearning solutions to help you maximize your training investment. Our hands-on approach benefits companies of all sizes and requirements – from those with just a few local employees to those with staff dispersed around the globe. Contact us to learn more and to work with one of our training consultants to design the right program for your organization.

### GROUP DISCOUNTS

Special rates may be available for multiple seminar or group bookings. Please contact us for details.

### FEES AND CANCELLATIONS

The fee listed is per participant and includes refreshments, lunches and seminar materials. Seminar fees do not include tax, transportation or hotel accommodations. Payment must be received in full prior to the start of the seminar. Registrations may be cancelled in writing via letter or email at least 30 days before the first date of the training for a full refund. Cancellations received less than 30 days in advance are eligible for substitution with another seminar, but fees will not be refunded. We reserve the right to cancel or reschedule seminars at any time. For further information on our refund and complaint policy, please contact us.

## Contact Us

### AMERICAS

TrainingAmericas@moody.com  
+1.212.553.4387

### EMEA

TrainingEMEA@moody.com  
+44.207.772.1569

### ASIA

TrainingAsiaPac@moody.com  
+852.3551.3131