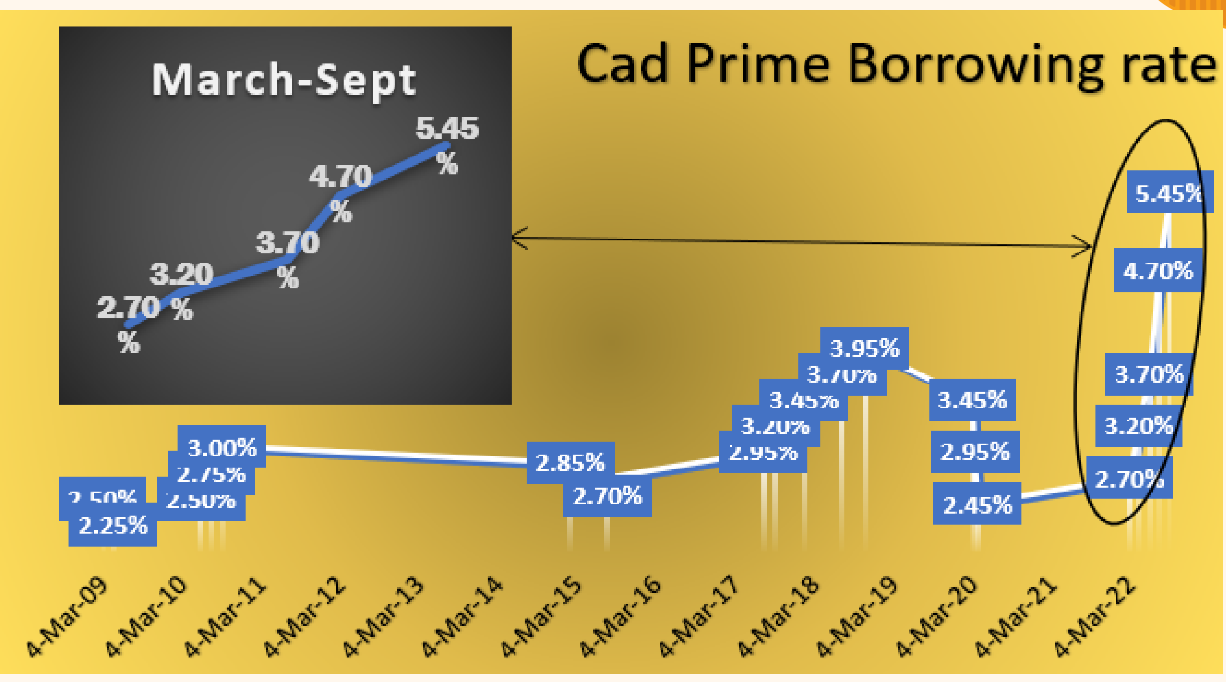
PubCo Corporate Financial Solutions

HOW TO MANAGE DEBT SERVICE COVENANTS WITH NEAR DOUBLE COST OF INTEREST?



1 OVER 10 YEARS WE HAD STABLE AND LOW INTEREST COST

13 years @ 3%, steady cost of interest. Now, seems like overnight everything changed. How will higher interest cost impact calculating the Debt Service Coverage aka Fixed Charge Coverage Ratio? How to avoid defaulting on your covenants?

2 COST OF YOUR BANK CREDIT LINE IS ALMOST DOUBLED

In 4 months, the Prime Rate has increased from 2.70% to 4.70%, expectation is for more increase. If your Debt Service Ratio was 1.2 times EBITDA, doubling interest would mean a significant increase to EBITDA to keep your ratio on-side

3 MANAGE YOUR BANK RATIOS AGAINST RAGING INTEREST

Pubco Finance Solutions can work with your Bank to manage through these difficult times and avoid the need for "Tolerance Letters" or marking "In Default" on Year End Statements. We know how, and we can do it for you!

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