Termgrid

What can lenders provide at every step of an LBO or M&A process?

	What lenders received	What lenders are able to provide
Initial stages	☐ **Introduction call** and/or ☐ **Initial presentation/teaser** (prepared by the seller)	☐ **Very high level indications** on whether they are interested to pursue and assemble a team to start diligence
Non-Binding Offer ("NBO") Stage	☐ **Sell-side information** (information memorandum, management presentation, sometimes initial versions of vendor due diligence)	☐ **Preliminary indications on leverage** (debt quantum, pricing), subject to their ongoing diligence ☐ **Support letter** (if requested, some lenders can provide a form of **"early stage support letter"** for bid purposes; It is heavily caveated and subject to diligence, **not** legally binding
Intermediate Stage (Reconfirmation of Bids or 2nd Round Bid)	☐ **Full sell-side due diligence pack** ☐ **First drafts of buyer due diligence** ☐ **Draft of buyer financial model** (financing / lender case)	☐ **Refined leverage indications** following review of diligence ☐ **More detailed debt terms** (typically in the form of financial grids or term sheet) ☐ **Support letter** (if requested, some lenders provide a form of **"highly confident letter"** for bid reconfirmations; It is still heavily caveated, subject to diligence, and **not** legally binding, but with stronger language around confidence in their ability to provide financing
Final / Binding Bids Stage	☐ **Full buyer due diligence pack** ☐ **Final lender model**	☐ **Signed legally binding debt commitment papers** which can be appended to final bid submitted to sellers

Note: the above factors are illustrative, and should be assessed for the envisaged transaction as a whole. Please refer to our Termgrid Primers article "Debt financing LBOs and M&A – from Kick-off to Signing" for more details