

DEAL PROFILE

TELIGENT | SERIES C NOTEHOLDERS | SENIOR LENDERS

VALUES

~\$77mm	\$1.11	30%/60%
Debt Converted to Equity	5 Day Trailing VWAP	Equity Premiums
\$4.6mm	~\$22.6mm	~\$105mm
Second Lien Credit Increase	ATM Issuance Agreement	Debt Post Conversion



Teligent, Inc. (NASDAQ: TLGT)

Teligent, Inc., is a specialty generic pharmaceutical company that develops, manufactures, markets, and sells generic and branded generic products in the United States and Canada. The company offers generic pharmaceutical products in topical, injectable, complex, and ophthalmic dosage forms. It is also involved in contract manufacturing and development business, including the development, manufacturing, filling, and packaging of topical semi-solid and liquid products for branded and generic pharmaceutical customers, as well as for over-the-counter and cosmetic markets. The company was founded in 1977 and is based in Buena, New Jersey.

TEV: \$211.1mm	LTM EBITDA: \$-22.3mm ¹	LTM Revenue: \$51.3mm ¹
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BOURNE PARTNERS MARKET RESEARCH

Bourne Partners provides strategic and financial advisory services to clients throughout the business evolution life cycle. In order to provide the highest level of service, we routinely analyze relevant industry trends and transactions. These materials are available to our clients and partners and provide detailed insight into the pharma, pharma services, OTC, consumer health, and biotechnology sectors.

OVERVIEW

On January 27, 2021, Teligent Inc. announced a recapitalization to increase financial flexibility. Teligent’s Series C noteholders (primarily Silverback Asset Management and Nantahala Capital Management) exchanged 100% of the notes (\$53mm) for common stock at a 60% premium to the VWAP of \$1.11. Teligent’s senior secured lender converted its PIK interest (\$24.5mm) into convertible preferred stock at a 30% premium to the VWOP of \$1.11. To support Teligent’s ongoing liquidity, the company’s senior lender, with participation from Silverback and Nantahala, has amended the Second Lien Credit Agreement to provide \$4.6mm in incremental financing through delayed draw term loans as well as a one year extension related to PIK interest. Lastly, Teligent has entered into an ATM issuance sales agreement with B. Riley Securities, where at Teligent’s discretion, the company may offer and sell up to \$22.62mm of common stock through or to B. Riley.

HIGHLIGHTS

This conversion of debt to equity by Teligent’s noteholders and lenders demonstrates support for Teligent’s future financial success and their ability to overcome current operational hurdles. In addition to strengthening its balance sheet through the debt recapitalization, Teligent’s ATM common stock offering will provide capital to address the issues raised by a November 2019 FDA warning letter, help to prepare it’s newly built injectables facility for FDA inspection, and allow for the expansion of the service lines offered by its CDMO division.

¹LTM values as of 09/30/2020
Source(s): S&P CapitalIQ, January 2021; biospace.com