TRACKHAWK ADVISORS

Case Study: Hudson $675mm Notes Offering

Updated as of 3Q 2026

Hudson Automotive Group

Case Study: Hudson Upsizes Notes Offering to Refinance Debt

$675mm 8yr Senior Unsecured Notes

- On 5/7/24, Hudson Automotive Group priced **$675mm** of 8yr **8.00%** Senior Unsecured Notes at par, which were upsized in-market from **$600mm**
- The deal was initially launched at **$600mm** with price talk of **8.25%**, but strong market demand allowed Hudson to upsize the offering to **$675mm** while also lowering the coupon to **8.00%**
- The proceeds of the offering combined with proceeds from a new syndicated credit facility will be used to refinance ~$1.4bn of existing debt and purchase $44mm of real estate from Redwood Holdings
- The bonds were marketed with 2023 Adj. EBITDA of ~$300mm and approximately **2.4x** secured leverage and **4.7x** total leverage
- S&P Global Ratings expects leverage to remain around **4.5x** over the next few years as margins normalize and the steady pace of acquisitions continues
- Moody's forecasts pro forma debt to EBITDA will improve to around **4.25x** as a full year of acquisitions is realized and cost discipline is maintained

Final Terms	2032 Notes
Pricing Date	May 7, 2024
Issuer	Cougar JV Subsidiary, LLC
Corporate Ratings	B+ / Ba3
Bond Ratings	B+ / B2
Issue	Senior Unsecured Notes
Amount	$675mm
Maturity *Call*	**May 2032** *8yr NC3*
Coupon *Spread vs US Treasuries*	**8.000%** *(T + 353 bps)*
Yield to Worst (8/6/26) *Spread vs US Treasuries*	**6.200%** *(T + 192 bps)*

Ratings: S&P / Moody's at pricing.

Sources: S&P Global Ratings research update dated 5/6/24; Latham & Watkins announcement dated 5/8/24