



TEXAS TECH UNIVERSITY SYSTEM™

# TTUS 2023 Bond Issuance Update

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# Ratings Agency Updates



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Updated Ratings – 2023		
Moody's	Fitch	Kroll
<b>Aa1</b>	<b>AA+</b>	<b>AA+</b>

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*“TTUS’ Aa1 issuer rating reflects its excellent strategic positioning, growing \$2.4 billion diverse scope of operations, with robust operating, debt service and capital support from Aaa-rated State of Texas” – Moody’s*

*“Bond rating supported by the system’s solid regional enrollment base with stable to moderate growth, solid state operating and capital support, a track record of good adjusted cash flow margins through the pandemic, and robust balance sheet and leverage levels.” – Fitch*

*“...Solid finances, characterized by substantial liquidity, diverse fundings, and typically balanced operations.” – Kroll*

# Summary of Issuance



## ■ Tax- Exempt Bonds (2023A)

- \$193,625,000, including a refunding of commercial paper for \$8,110,000
- True interest cost (TIC) 3.14%
- Total debt service
  - \$287,035,372
- Average annual debt service
  - \$17,375,607
- Callable @par \$100 on 2/15/2033, fully maturing in 2040

## ■ Taxable Bonds (2023B)

- \$56,400,000
- True interest cost (TIC) 4.89%
- Total debt service
  - \$63,510,682
- Average Annual Debt Service
  - \$11,506,717
- Fully maturing 2029

# Summary of Pricing



## ▪ Tax- Exempt Bonds 2023A

- Final reduction of 2-10bps
- 2.99x oversubscribed
  - Orders to buy of \$579,180,000 vs \$193,625,000 available

## ▪ Taxable Bonds 2023B

- Final Reduction of 5bps
- 1.95x oversubscribed
  - Orders to buy of \$109,765,000 vs \$56,400,000 available

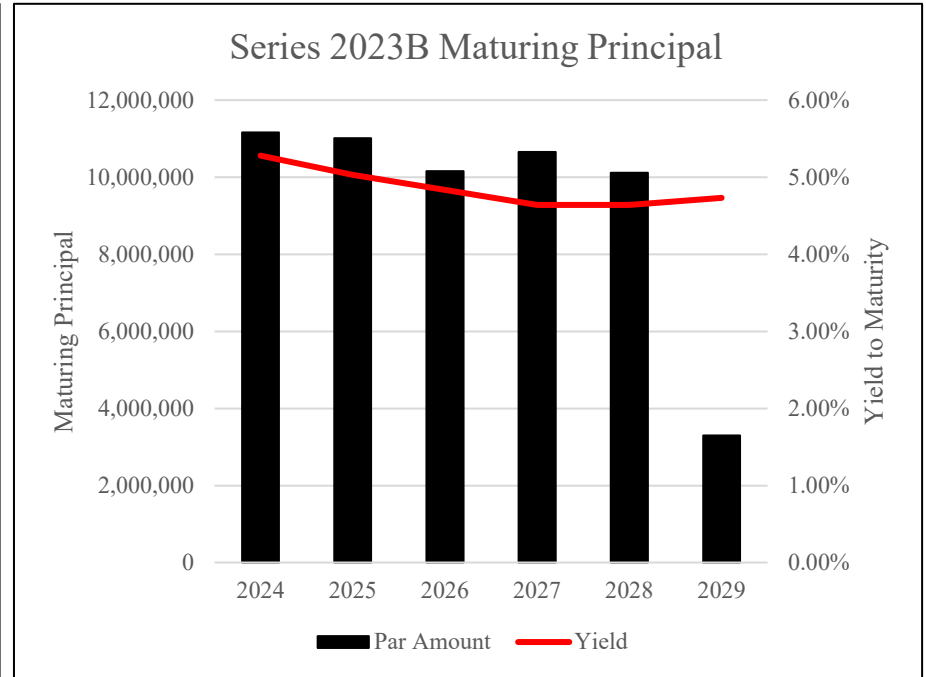
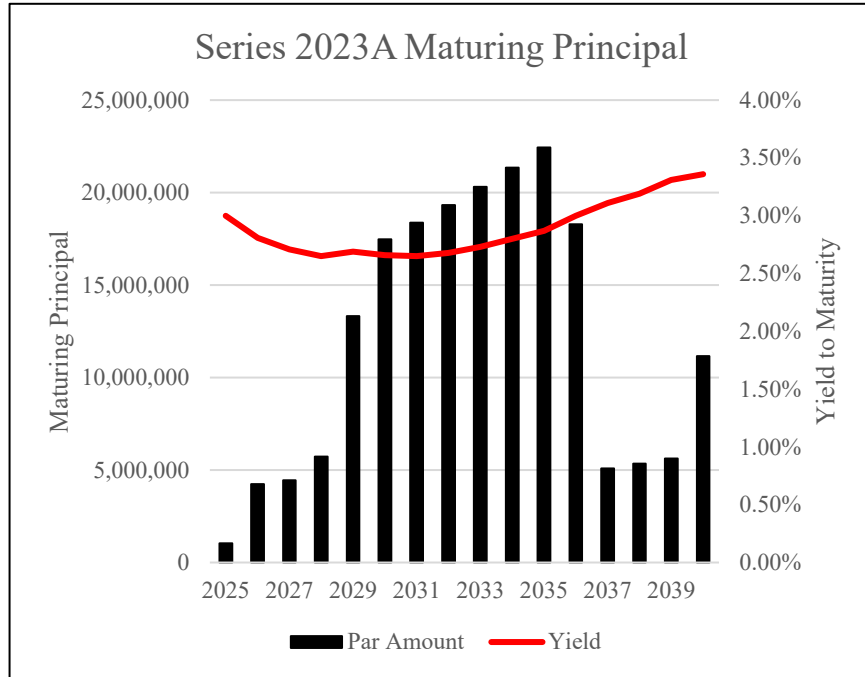
## ▪ Intraday Market

- Treasuries moved higher early in the day on positive economic news and the expectation of a FED rate hike
- Later in the day treasuries moved down 5-8 basis points and the bonds were priced off the lower levels

## ▪ Investor Interest

- 31 new investors who do not currently hold TTUS bonds showed interest and 29 were allocated bonds
- After the issuance, a minimum of 206 unique investors now hold TTUS bonds
  - Separately Managed Accounts are not required to report bond holdings

# Summary of Debt Service





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