



2025 Bond Issuance

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Vice Chancellor and Chief Financial Officer

May 8, 2025



FY 2025 Bond Issuance Authorization



The 21st Supplemental bond Resolution authorized the issuance and sale of the "Board of Regents of Texas Tech University System Revenue Financing System Refunding and Improvement Bonds" tax-exempt and taxable bonds in the maximum aggregate amount of \$550 million. Such delegated authority expires 365 days from the date of adoption of the resolution.

Authorized: August 8, 2024

Expires: August 8, 2025



Series 2025 A&B Key Facts

- **The Series 2025 bonds were the 3rd largest transaction on the day of pricing at a size of \$341,495,000 par value.**
- **Five Texas based firms invested in the series 2025 Bonds**
- **This deal had significant investor demand across all maturities**
 - Series 2025A bonds were 3.6x oversubscribed (> \$1.1 billion in orders)
 - Series 2025B bonds were 5.1x oversubscribed (> \$191 million in orders)
 - This demand led to up to 7bps of yield cuts across all but four maturities in the series 2025A Bonds
 - Yield cuts of up to 5bps were added on all 2025B bonds
 - In total the Investor Roadshow and POS were viewed by 37 & 65 unique investors respectively
- **Refunding of the TTUS 2015A and MSU 2015 bonds lead to greater than forecasted savings**
 - Total net present value (NPV) savings exceeded \$4 million
 - The System recognized an additional \$250 thousand of NPV savings compared to pre-marketing levels
- **All in True Interest Cost (TIC) was 4.22%**

2025 Bond Issuance Refunding of TTUS 2015A & MSU 2015A



Component	Net Present Value Savings (000's)
HSC El Paso	\$30.90
MSU	\$1,266.23
TTU	\$2,741.72
Total	\$4,038.86

Rating Agency Summary



Moody's, Fitch, & KBRA

All agencies affirmed existing Aa1/AA+/ P-1 ratings for the 2025 Bond and the Commercial Paper program

Credit Positives of TTUS

- Solid finances, characterized by substantial liquidity, diverse funding, typically balanced operations, and increased revenue diversity
- Healthy student demand, driven by an expansive operation that includes academic and health institutions.
- Highly experienced leadership and a strengthening of overall brand with sustained philanthropy and effective cost management.

Credit Challenges of TTUS

- On-going plan for debt issuance driven by capital-intensive nature of operations
- Weakened state operating and capital support

TTUS Financial Analysis

Review of Key Ratios



	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	AA+ Median*
Operating Revenues	\$2.10B	\$2.43B	\$2.58B	\$2.59B	\$2.70B	N/A
Operating Cash Flow Margin (%)	12.50%	15.11%	17.89%	13.76%	12.52%	12-15%
Total Cash and Investments to Operating Expenses (x)	1.37x	1.65x	1.54x	1.46x	1.6x	1.56x
Annual Debt Service Coverage	3.01x	3.45x	4.11x	2.30x	2.98x	2.6x

*Source: 2022 Fitch Median Ratios for US Public Colleges and Universities

TTUS Peer Comparisons

State of Texas Systems



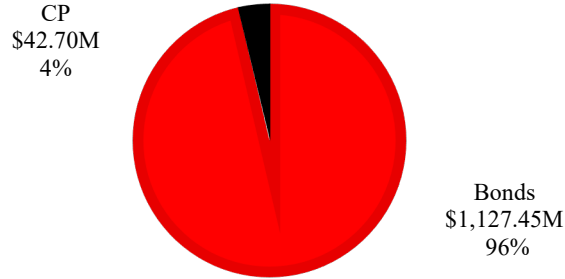
	UT System	A&M System	TTU System	UH System	Texas State System	UNT System	TWU System
Moody's	Aaa	Aaa	Aa1	Aa2	Aa2	Aa2	Aa3
S&P	AAA	AAA	AA+	AA	-	-	A+
Fitch	AAA	AAA	AA+	-	AA	AA	-
KBRA	-	-	AA+	-	-	AA	-

TTUS Total Debt Outstanding

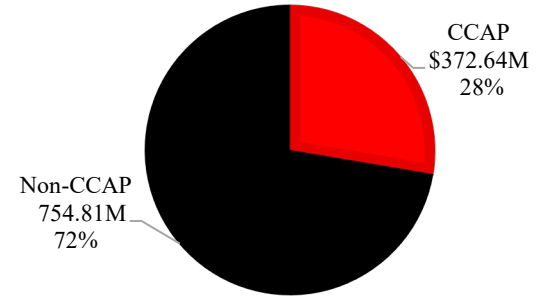
As of March 31, 2025



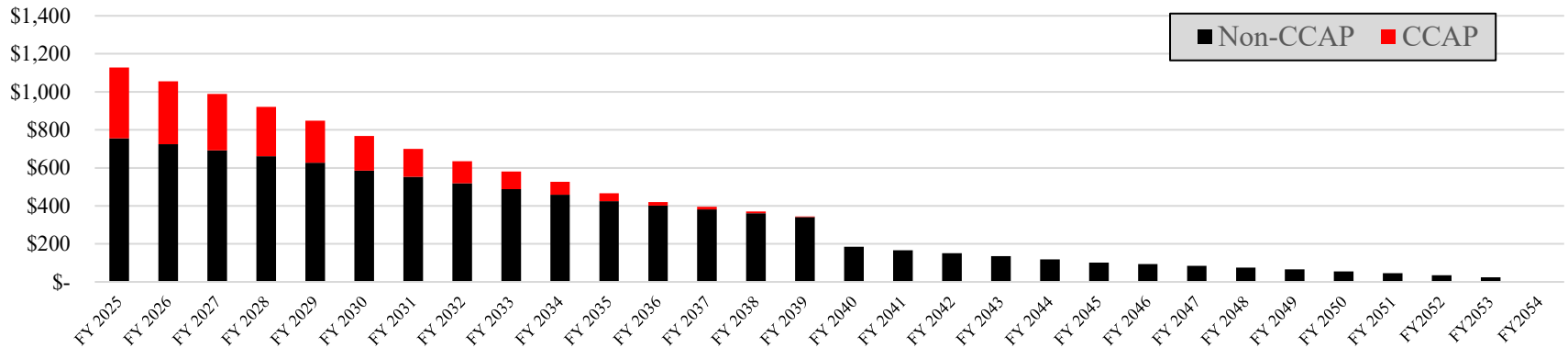
TOTAL DEBT OUTSTANDING = \$1,169.33M



TOTAL BOND DEBT OUTSTANDING = \$1,127.45M



TOTAL BOND DEBT OUTSTANDING

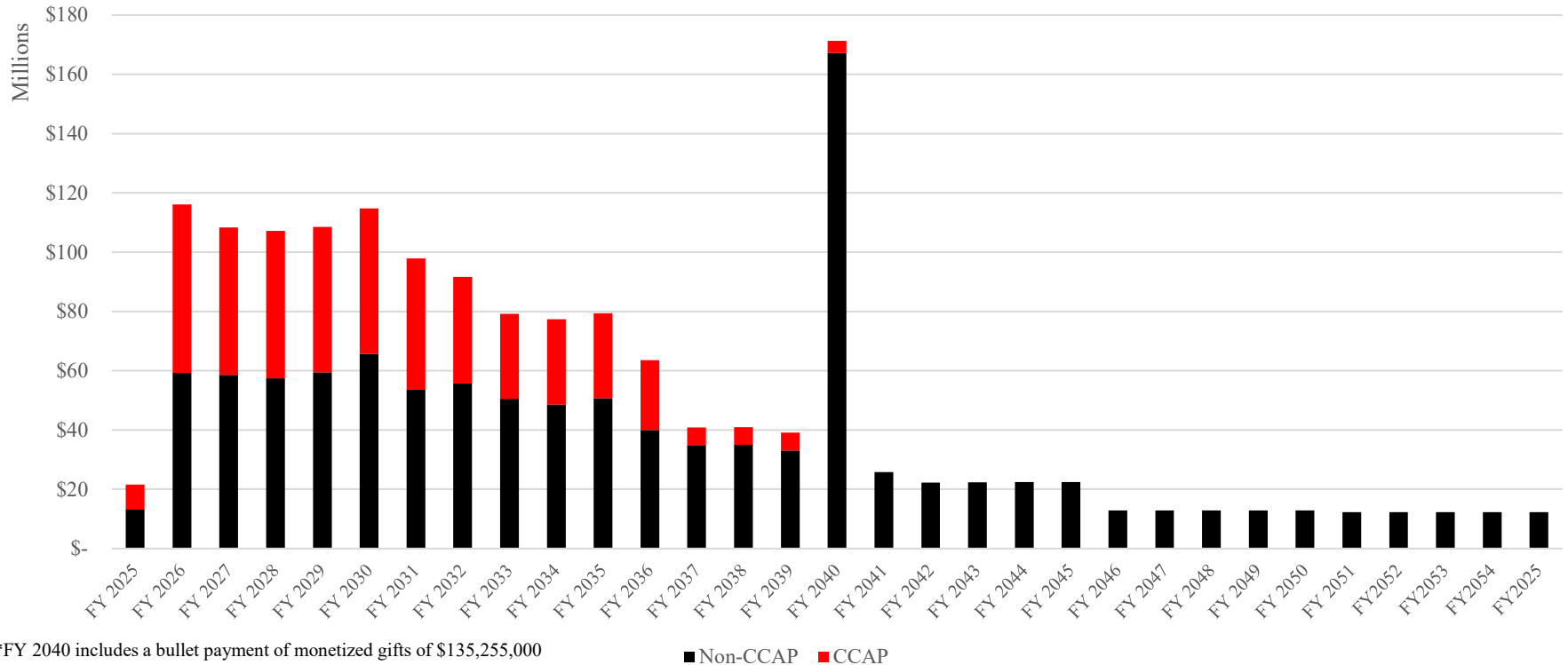


TTUS Annual Debt Service on Bonds

As of March 31, 2025



TTUS Aggregate Annual Debt Service by Source



*FY 2040 includes a bullet payment of monetized gifts of \$135,255,000

■ Non-CCAP ■ CCAP

Looking Ahead



Assess Future
Debt Needs

Research Debt
Structures

Research
Internal Bank



Questions?



TEXAS TECH UNIVERSITY SYSTEM™