

FW: Titanium materials

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 Subject: Titanium materials

Current draft. Doing final reviews but given your travel window wanted to send now.

Sam we'll print hard copies for your reference and have them sent to your hotel.

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Discussion Materials

Project Titanium

Goldman Sachs & Co. LLC

August 15, 2018

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Potential Investor Universe

Preliminary Target List

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Ticket Size	Sovereign Wealth / Pension	Family Office	Sponsors / PE	Crossover	Strategic
Greater than \$1 billion	■ ADIA	■ Access Industries (Blavatnik)	■ Apollo Management	■ Alliance Bernstein	■ Alibaba
	■ ADIC	■ Cascade Investments (Gates)	■ Blackstone	■ Baillie Gifford	■ Alphabet
	■ CDPQ	■ ICONIQ (Facebook founders)	■ Berkshire (Buffett)	■ BlackRock	■ Amazon
	■ CIC	■ Inbursa (Slim)	■ Carlyle	■ Capital Group	■ Alibaba
	■ CPPIB	■ Madrone (Walton)	■ KKR	■ Discovery Capital	■ Baidu
	■ GIC	■ MSD (Dell)	■ RRJ Capital	■ Dragoneer	■ Facebook
	■ Hong Kong Monetary Authority	■ Soros Fund	■ Silver Lake	■ Fidelity	■ Fosun
	■ Khazanah	■ Vulcan (Allen)	■ TPG Capital	■ Franklin Templeton	■ JD.com
	■ Mubadala			■ Jennison	■ Microsoft
	■ National Council for Social Security Fund (China)			■ JPMorgan AM	■ Samsung
	■ Norges Bank			■ MS Investment Management	■ Softbank
	■ OTPP			■ Neuberger Berman	■ Tencent
	■ PSP			■ Susquehanna	
	■ Public Investment Fund (PIF)			■ T Rowe Price	
	■ Rosewood / SAFE			■ Wellington	
	■ SAMA				
	■ Temasek				

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Preliminary Target List

Ticket Size	Sovereign Wealth / Pension	Family Office	Sponsors / PE	Crossover	Strategics	
Sub \$1 billion	■ AIMCo	■ Aurum Partners	■ Longview (Crown)	■ Apax Partners	■ Anchorage	■ Allianz
	■ APG	■ AC Limited	■ LK Advisers (Mittal)	■ Advent	■ Baupost	■ AXA
	■ AustralianSuper	■ Appaloosa	■ Meritage (Simons)	■ International	■ Coatue	■ LG
	■ Bank of Japan	■ Appaloosa (Tepper)	■ Mousse Partners (Wertheimer)	■ Bain Capital	■ GSAM	■ Naspers
	■ BCIMC	■ Bayshore (Brin)	■ Olayan	■ CapitalG	■ Highfields	■ Panasonic
	■ CalPERS	■ Belzberg & Co.	■ OW Management (Winfrey)	■ CICC	■ Landsdowne	
	■ Central Provident Fund (Singapore)	■ (Belzberg / Zelnick)	■ Patricia Industries (Wallenberg)	■ CVC	■ Lone Pine Capital	
	■ Danica Pension	■ Bezos Expeditions	■ Peter Thiel	■ General Atlantic	■ Putnam	
	■ Federal Retirement Thrift Investment Board	■ Blue Pool (Ma/Tsai)	■ PremjiInvest	■ GS Investment Partners	■ Investments	
	■ Future Fund	■ Bregal (Brenninkmeijer)	■ Pritzker Group	■ GTCR	■ Sands Capital	
	■ Government Pension Investment Fund, Japan	■ Chow Tai Fook	■ Pritzker Organization	■ Hellman & Friedman	■ TIAA / Nuveen	
	■ HOOPP	■ Cohen Private Ventures	■ Pritzker	■ HarbourVest	■ Tudor Investment Corp	
	■ Japan Post	■ Domo Investments (de Clerk)	■ Quadrant (Santo Domingo)	■ Hillhouse	■ Wafra	
	■ KIC	■ Emerson Collective (Jobs)	■ RIT (Rothschild)	■ Hony Capital		
	■ Mumtalakat	■ Equity Group Investments (Zell)	■ Safra	■ Insight Venture Partners		
	■ National Pension Service (Korea)	■ Freemark Partners (Marks)	■ Stone Canyon (Milken)	■ Macquarie		
	■ New Zealand Superannuation	■ Heineken (de Carvalho)	■ Tom Steyer	■ Oaktree		
	■ OMERS	■ Groupe Arnault	■ Talpion (Swieca)	■ Primavera		
	■ OPTrust	■ Hillspire (Schmidt)	■ Tao Capital (Pritzker)	■ Providence Equity		
	■ OSOOL	■ Horizon Ventures (Li)	■ Tresalia (Aramburuzabala)	■ Summit Partners		
	■ PensionDanmark	■ Inter IKEA (Kamprad)	■ Triangle Peak (Morgan)	■ TA Associates		
	■ PFA Pension	■ Kingdom Holdings	■ Virgin (Branson)	■ Thoma Bravo		
	■ PGGM	■ Kuok family	■ Wildcat (Bonderman)	■ Vista Equity Partners		
	■ SF City Government	■ Kwok family	■ Willett (Bloomberg)	■ Warburg Pincus		
	■ Victorian Funds Management Corp	■ Larry Ellison	■ Willoughby (Och)			



Top Titanium Shareholders

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- T. Rowe, Fidelity, Baillie Gifford, Tencent, and Saudi PIF (not shown) own ~35% of shares outstanding
- A number of Titanium's top investors have track records of owning stakes in private companies

Name	Investor Type	Active in Privates	Latest Position	
			Shares (mm)	% Out ¹
EM ²	Insider		33.6	19.7 %
T. Rowe Price Associates	Active	✓	15.6	9.2
Fidelity Management & Research Company	Active	✓	14.0	8.2
Baillie Gifford & Co.	Active	✓	13.2	7.7
Tencent Holdings	Strategic	✓	8.3	4.9
The Vanguard Group	Index		7.1	4.2
Capital World Investors	Active	✓	4.4	2.6
BlackRock Institutional Trust Company	Index		4.4	2.6
Jennison Associates	Active	✓	3.2	1.9
CTC myCFO	Active		3.2	1.9
Capital International Investors	Active	✓	2.6	1.5
State Street Global Advisors (US)	Index		2.5	1.5
Baron Capital Management	Active		1.7	1.0
Invesco PowerShares Capital Management	Index		1.4	0.8
Susquehanna International Group	Active	✓	1.3	0.7
PRIMECAP Management Company	Active		1.1	0.6
Geode Capital Management	Index		1.0	0.6
Fidelity Management & Research (Hong Kong)	Active		0.9	0.5
Deutsche Asset Management Americas	Active		0.8	0.5
Allianz Global Investors U.S.	Active		0.8	0.5
Norges Bank Investment Management (NBIM)	Active	✓	0.8	0.5
Nuveen	Active		0.8	0.5
Mitsubishi UFJ Trust and Banking Corporation	Active		0.7	0.4
Northern Trust Investments	Index		0.7	0.4
BNY Mellon Asset Management North America	Index		0.6	0.4
Top 25 Shareholders			124.7	73.1 %

Source: Thomson

Note: Not pro forma for Saudi PIF investment.

¹ Based on 170.6mm total basic shares outstanding.

² Represents basic share ownership. Excludes options.



Private Investment Policies for Top Titanium Active Funds

(\$ in millions)

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Many of the top funds holding Titanium's stock have significant capacity to hold additional illiquid assets. However, the value of these funds' current Titanium holdings is large relative to the total amount of non-traded Level 3 assets held by these funds

#	Fund	Parent Firm	Titanium Position			Equity Assets	Restrictions on Illiquid Investments	Max Illiquid Assets ²	Level 3 Assets ³
			% OS	Shares	Value ¹				
1	T. Rowe Price Growth Stock Fund	T. Rowe Price	2.1 %	3.5	\$ 1,486	\$ 53,107	15% or less of assets	\$ 7,966	\$ 692
2	American Funds New Perspective Fund	Capital International Investors	1.5	2.6	1,100	75,981	15% or less of assets	11,397	0
3	JNL/American Funds Growth Fund	Capital World Investors	1.1	1.8	761	22,769	15% or less of assets	3,415	N/A
4	Fidelity Blue Chip Growth Fund	Fidelity	1.0	1.8	742	24,840	10% or less of assets	2,484	495
5	Fidelity Growth Company Fund	Fidelity	1.0	1.7	721	43,166	10% or less of assets	4,317	1,333
6	Scottish Mortgage Investment Trust PLC	Baillie Gifford	1.0	1.7	719	8,141	25% or less of assets	2,035	1,409
7	Harbor Capital Appreciation Fund	Jennison Associates	1.0	1.7	708	30,593	15% or less of assets	4,589	0
8	Fidelity Contrafund	Fidelity	0.9	1.6	666	123,853	10% or less of assets	12,385	1,591
9	Vanguard International Growth Fund	Schroder Investment Management	0.9	1.5	638	35,814	15% or less of assets	5,372	317
10	Fidelity OTC Portfolio	Fidelity	0.9	1.5	628	19,527	15% or less of assets	2,929	0
11	T. Rowe Price Blue Chip Growth Fund	T. Rowe Price	0.8	1.3	545	53,838	15% or less of assets	8,076	0
12	Baron Partners Fund	Baron Capital Management	0.7	1.1	386	2,405	15% or less of assets	361	92
13	Statens Pensjonsfond Utlend	Norges Bank Investment Management	0.5	0.8	341	682,551	N/A	N/A	N/A
14	Baillie Gifford Long Term Global Growth Investment Fund	Baillie Gifford	0.4	0.7	305	4,258	N/A	N/A	0
15	T. Rowe Price Institutional Large-Cap Growth Fund	T. Rowe Price	0.4	0.7	295	18,125	15% or less of assets	2,719	155
16	Fidelity Information Technology Central Fund	Fidelity	0.4	0.6	263	4,813	10% or less of assets	481	54
17	Vanguard Capital Opportunity Fund	PRIMECAP Management Company	0.4	0.6	258	16,003	15% or less of assets	2,401	0
18	JNL/T. Rowe Price Established Growth Fund	T. Rowe Price	0.3	0.6	234	8,983	15% or less of assets	1,347	69
19	American Century Ultra Fund	American Century	0.3	0.5	226	11,383	15% or less of assets	1,707	0
20	T. Rowe Price Global Technology Fund	T. Rowe Price	0.3	0.5	212	6,509	15% or less of assets	976	11
21	Stichting Pensioenfonds ABP	APG Asset Management	0.3	0.5	210	170,830	N/A	N/A	N/A
22	Fidelity Select Technology Portfolio	Fidelity (Hong Kong) Limited	0.3	0.5	206	6,138	10% or less of assets	614	69
23	Fidelity Series Growth Company Fund	Fidelity	0.3	0.5	200	12,099	10% or less of assets	1,210	305
24	Fidelity Series Blue Chip Growth Fund	Fidelity	0.3	0.4	188	5,960	10% or less of assets	596	219
25	Baillie Gifford American Fund	Baillie Gifford	0.2	0.4	151	1,928	N/A	N/A	0
26	Florida State Board Administration Fund	Florida State Board of Administration	0.2	0.3	126	88,951	N/A	N/A	N/A
27	Prudential Jennison Growth Fund	Jennison Associates	0.2	0.3	120	4,964	15% or less of assets	745	0
28	JPMorgan Large Cap Growth Fund	JP Morgan Asset Management	0.2	0.3	111	14,334	15% or less of assets	2,150	0
29	PRIMECAP Odyssey Aggressive Growth Fund	PRIMECAP Management	0.2	0.3	111	10,915	15% or less of assets	1,637	23
30	Fidelity Stock Selector All Cap Fund	Fidelity	0.2	0.3	111	9,953	10% or less of assets	995	N/A
31	TD Science & Technology Fund	T. Rowe Price	0.1	0.2	87	631	N/A	N/A	2
32	Fidelity Advisor New Insights Fund	Fidelity	0.1	0.2	86	26,860	15% or less of assets	4,029	415
33	Vanguard Morgan Growth Fund	Wellington Management	0.1	0.2	83	13,986	15% or less of assets	2,098	0
34	CREF Stock Account	Nuveen	0.1	0.2	81	121,648	10% or less of assets	12,165	15
35	T. Rowe Price Science & Technology Fund	T. Rowe Price	0.1	0.2	71	5,635	15% or less of assets	845	62

¹ Value at \$420 per share offer price.

² Calculation Based on Equity Assets for illustrative purposes.

³ Level 3 assets based on latest filings. Represents restricted investments when Level 3 assets is not available.

Additional Materials

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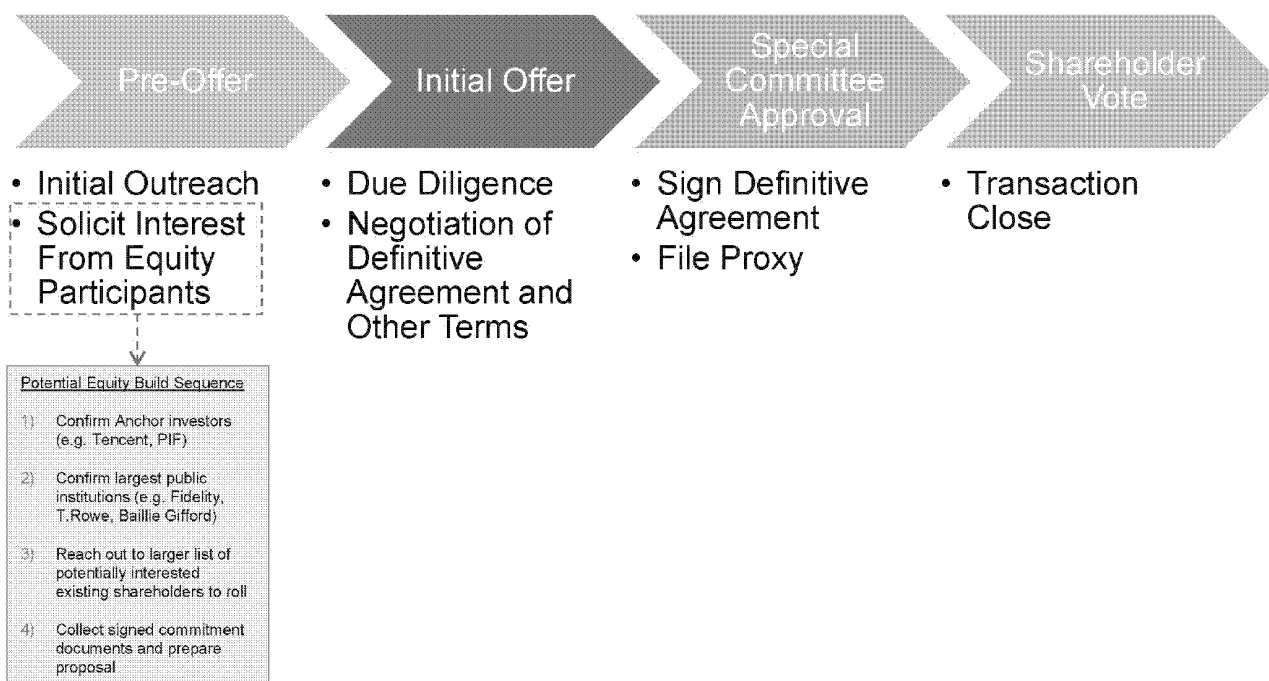
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Key Process Steps

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Existing Investor Participation Impact on Financing Need (\$ in billions)

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Shareholder Overview	
	Shares
T. Rowe, Fidelity, Baillie Gifford	42.8
Tencent & Saudi PIF	16.9
Total Top 5	59.6
Other Active	38.7
Passive	21.3
Elon	33.6
Insider ex-Elon	1.0
Retail / Other	16.3
Total Basic Shares	170.6
Total Dilution	12.9
Fully Diluted Shares	183.5

Incremental Equity / Need Build	
Total Uses	
Equity Value at \$420/share	\$ 77.1
Recourse Debt	7.7
Total Uses	\$ 84.8

Total Financing Sources / Need	
(-) EM, Insiders, & Employees (100% Roll)	\$ 19.9
(-) New / Rolled / Refinanced Recourse Debt	7.7
Equity Funding Required Before Investor Roll	\$ 57.2
(-) Tencent and Saudi PIF (20% of OS)	\$ 28.7
(-) T.Rowe, Fidelity, Baillie Gifford (50% Roll)	9.0
(-) Other Non-Index Investors (50% Roll)	11.6
Incremental Financing Need	\$ 7.9

Note: Assumes non-recourse debt remains outstanding; does not include the impact of debt take-out.

		Incremental Equity / Need Sensitivity			
		% of Other Non-Index Investors Rolling			
		0.0 %	25.0 %	50.0 %	75.0 %
Tencent and Saudi PIF % OS	5.0 %	\$ 41.0	\$ 35.2	\$ 29.4	\$ 23.7
	10.0 %	33.8	28.1	22.3	16.5
	15.0 %	26.7	20.9	15.1	9.3
	20.0 %	19.5	13.7	7.9	2.2



Capital Structure Impact

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- The specific deal structure and transaction consideration will influence the change of control treatment across Titanium's various debt tranches
 - Converts will be taken out for cash or converted into underlying transaction consideration
 - Potential to structure transaction to allow HY notes to remaining outstanding and avoid breakage costs (~\$130mm)
 - Titanium will need an amendment from its ABL bank group to waive the credit agreement change of control, which is very achievable
 - Potential for project debt and lease facilities to remain in place
- Call spreads associated with the convertible instruments would unwind, potentially resulting in additional value paid by / received from Titanium
- Traditional recourse debt (including HY, converts, ABL) will be sized at least at current level (~\$8bn)
- Preferred instruments and common equity will fund the remaining financing need

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Titanium Change of Control

Preliminary Covenant Analysis

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Debt Facility	Amount (\$m)	Requires Backstop?	Change of Control	Treatment
Senior Unsecured Notes	\$1,800	Potentially	<ul style="list-style-type: none"> ■ Dual trigger <ol style="list-style-type: none"> 1. Change of Control (50% of Voting Stock or merger) and 2. Downgrade / withdrawal of Senior Note Ratings by both Moody's and S&P below the lower of: <ul style="list-style-type: none"> — Status quo (currently Caa1 / B-) or — Original bond ratings (B3 / B-) 	<ul style="list-style-type: none"> ■ We believe it may be possible for the Senior Notes to remain outstanding by structuring around both trigger 1 and 2, subject to further diligence <ul style="list-style-type: none"> — Avoids make-whole payment (~\$130 million at 12/31/18)
Non-Recourse Debt (various)	\$3,227	Unlikely	<ul style="list-style-type: none"> ■ Change of control definition typically does not contemplate equity ownership changes 	<ul style="list-style-type: none"> ■ Potential to remain in place, subject to receipt of and review of all documents not already in public domain
Asset Based Credit Facility (ABL)	\$1,925	Yes	<ul style="list-style-type: none"> ■ Single trigger <ul style="list-style-type: none"> — Expected to be cross-triggered by Make-Whole Fundamental Change under Permitted Convertible Notes 	<ul style="list-style-type: none"> ■ Change of control waiver achieved with consent from majority of lenders (50.1% of commitments outstanding)
Titanium Convertible Notes	\$3,278	Yes	<ul style="list-style-type: none"> ■ Single trigger <ul style="list-style-type: none"> — Delisting of common stock constitutes a Make-Whole Fundamental Change 	<ul style="list-style-type: none"> ■ Holders may elect to either: <ul style="list-style-type: none"> — Convert into the underlying transaction consideration at an increased conversion rate, or — Put the Convertible Notes at par
Solar Convertible Notes	\$899	Yes	<ul style="list-style-type: none"> ■ Single trigger <ul style="list-style-type: none"> — Delisting of common stock constitutes a Make-Whole Fundamental Change 	<ul style="list-style-type: none"> ■ Put the Convertible Notes at par



Illustrative Cost of Convertible Note Repurchase

Excluding Impact of Call Spread Unwinds

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Upon a Change of Control for cash consideration, Titanium would need to repurchase Solar Convertible Notes at par for ~\$899mm and Titanium Convertibles, inclusive of a make whole adjustment, would become convertible into ~\$4.2bn or cash

Assumptions

Global Assumptions:

- All outstanding Titanium and Solar Convertibles in a Change of Control scenario are tendered for repurchase or converted into cash

Titanium Convertible Notes:

- Titanium Convertible Notes are converted into cash with an illustrative make-whole adjustment based on an assumed stock price of \$420 per share
- Convertible Notes considered:
 - \$920mm, 0.250% Convertible Senior Notes due 2019
 - \$1,380mm, 1.250% Convertible Senior Notes due 2021
 - \$978mm, 2.375% Convertible Senior Notes due 2022

Solar Convertible Notes:

- Assumes all Solar bonds are repurchased at par given they are out-of-the-money
- Convertible Notes considered:
 - \$230mm, 2.750% Convertible Senior Notes due 2018 (November)
 - \$566mm, 1.630% Convertible Senior Notes due 2019
 - \$103mm, 0.000% Convertible Senior Notes due 2020

Source: Bloomberg and company filings

Note: Analysis included herein has been provided for illustrative purposes only

¹ Make whole ("MW") adjustments have been estimated based on a weighted average of publicly disclosed make whole tables assuming a stock price of \$420 per share and the bonds being repurchased on 15-Aug-2018.

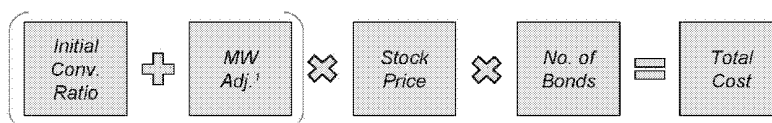
Convertible Cost Under a Change of Control

Solar – Repurchased at Par

- Cash at Par: \$230mm + \$566mm + \$103mm = **\$899mm**

Titanium – Repurchased with Make Whole

Illustrative Make Whole Building Blocks:



- 2019: [2.7788 + 0.0872] * \$420 * 920k = \$1.1bn
- 2021: [2.7788 + 0.2888] * \$420 * 1,380k = \$1.8bn
- 2022: [3.0534 + 0.1621] * \$420 * 978k = \$1.3bn
- Total: **\$4.2bn**



Key Next Steps

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1

Confirm Protocol for Information Exchange with Special Counsel

2

Deeper Dive on Potential Debt Structure, CoC Impact, and Financing Plan

3

Develop Strategy Regarding Existing Investor Rollover

4

Draft Marketing Materials and Form Plan to Field Investor Interest

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