



# European New Money Study

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OCTOBER 2020

# New Money Funding

## Market Overview

Following the COVID-19 outbreak, the forced national lockdowns and social distancing measures have had an effect on the financial performance of companies across most industries. We have seen a notable increase in new money injections to support companies' increasing liquidity requirements and to act as a bridge to a more comprehensive capital structure restructuring.

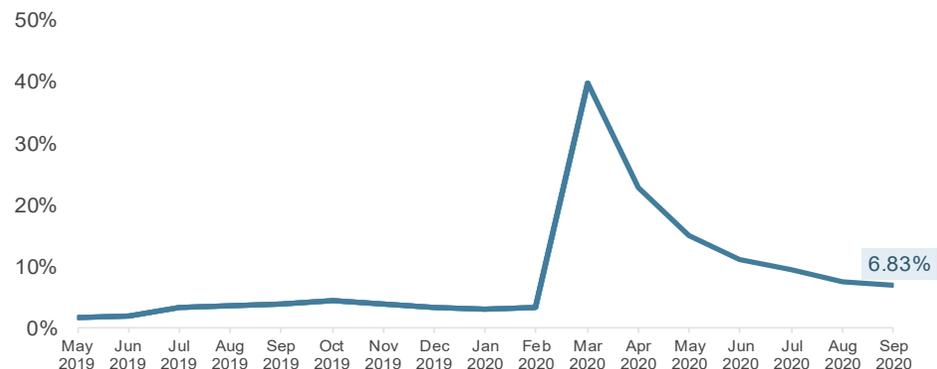
### Overview

- Following a resurgence of COVID-19 case counts across Europe, in the coming months, direct lenders may face a difficult path due to persistent cash flow weakness in their underlying borrowers. Being able to handle these situations effectively will be what determines who comes out on the other side of this crisis with a strong track record and a satisfied investor base.
- The speed at which this downturn is unfolding increases the possibility that even covenant-lite loans will trigger much earlier than expected. The lenders of these loans are likely to assess in detail the value of the collateral and may consider the merits of early enforcement action, absent other suitable alternatives.
- Large banks seem to be well capitalized with meaningful liquidity buffers. However, loan loss provisions are expected to increase across the board, impacting earnings significantly, potentially affecting the full-year results.
- While fund managers typically have smaller and more concentrated portfolios than banks, they also have smaller teams. Therefore, some lenders may soon face a high number of restructurings at the same time, creating real execution constraint for less equipped fund managers.
  - On the other hand, this presents an opportunity for distressed and special situations funds to invest and generate strong returns over this period of dislocation.
- During Q1 2020, total leverage increased, mainly driven by first-lien leverage and the deterioration of credit quality. The number of CCC rated loans increased, driven by declining BB-rated securities. This trend has continued during Q2 and the beginning of Q3 2020.
- However, given positive pricing sentiment in Q2 and Q3, the ELLI distress ratio reduced from the high observed in March of 39.8% to 6.83% in September, which was nevertheless higher than the levels seen until February (3.4%).

### Share of ELLI Loans Rated CCC+ or Lower<sup>(1)</sup>



### ELLI Distress Ratio<sup>(2)</sup>



(1) Based on par amount outstanding for the European Leveraged Loan Index.

(2) Percentage of performing loans trading below 80 per European Leveraged Loan Index (based on number of facilities).

Sources: LCD, Private Debt Investor, Moody's, IMF, public domain.

# New Money Funding

## Summary

Activity increased in new money funding across Europe with 16 borrowers, raising c. €2.3 billion between February 2019 and September 2020.

Company	Industry	Date	Country	Currency	Total Debt (m) [1]	New Money Terms							Comments
						Type	Ranking	Size (m)	Use of Proceeds	Pricing	Maturity	% of Total Debt	
Boardriders	Retail	September 2020	US	USD	Confidential	Notes	Super Senior	45	Liquidity	Confidential	Confidential	Confidential	- Facility raised to reduce the outstanding ABL revolver borrowing, pay transaction fees and expenses, and boost cash liquidity to navigate through the COVID-19 pandemic
Swissport	Transport	August 2020	Switzerland	EUR	2,106.0	Notes	Super Senior	300	Liquidity	E + 100bps cash and E + 900bps PIK	6 Months	14.2%	- The €300 million Interim Facility gives Swissport ample headroom to trade through COVID-19 crisis. The facility will be borrowed in two utilizations
Codere	Gaming	July 2020	Spain	EUR	897.4	Notes	Super Senior	250	Liquidity	1,000bps [2]	3 Years	27.9%	- Financing issued in two tranches: (i) €85m to provide liquidity to support operations pending closing of the Transaction; and (ii) a €165m to refinance Codere's existing RCF and provide further liquidity
Matalan	Retail	July 2020	UK	GBP	476.3	Bond	Super Senior	25	Liquidity	16,250bps	n.a.	5.2%	- The facility was raised to mitigate the impact of COVID-19 on the business. (i) £25m from Matalan's existing bondholders, (ii) £25m RCF from the UK Government's Coronavirus Loan Scheme
Carlson Travel	Hospitality	July 2020	US	USD	1,184.6	Notes	Senior	125	Financial Flexibility	850bps	5 Years	10.6%	- On 7 July 2020, CWT disclosed the proposed terms of its restructuring. CWT is seeking to raise capital to ensure financial flexibility. The restructuring is still ongoing
Officine Maccaferri	Civil Engineering	May 2020	Italy	EUR	269.7 [3]	Bond	Super Senior	40	Restructuring	650bps cash and 650bps PIK	4 Years	14.8%	- The facility was raised post restructuring, to repay the initial mini-bond, raised as part of the restructuring to support the operations of the company
Hotelbeds	Hospitality	March 2020	Spain	EUR	2,455.5	TL	Senior	400	Liquidity	E + 550bps	3.5 Years	16.3%	- The facility was raised to cover €180m of working capital, €38m of interest payments up to June and €41m up to December, €75m to provide the minimum required liquidity, and €66m for contingency risks
PizzaExpress	Hospitality	March 2020	UK	GBP	1,192.5	TL	Super Senior	70	Refinancing / Working Capital	L + 675bps	3 years	5.9%	- Facility was raised to fund corporate and working capital requirements and to repay in full the group's (i) £20 million super senior revolving credit facility, and (ii) £10 million super senior term facility
Interserve	Support Services	February 2020	UK	GBP	285.0	CF	Super Senior	125	Liquidity	Confidential	Confidential	43.9%	- Facility was raised to re-establish a stable platform from which to grow and provide good liquidity for the next few years
Addison Lee	Taxi and Private Hire	February 2020	UK	GBP	136.0	TL	Super Senior	36	Refinancing / Working Capital	L + 1,000bps	3 Years	26.5%	- As part of the company's Cheyne-led restructuring, the facility was raised to repay an up-to £16m bridge facility and for general working capital requirements
BulsatCom	Telecommunications	October 2019	Bulgaria	EUR	71.6	Bond	Super Senior	30	Restructuring	Confidential	Confidential	41.9%	- As part of the company's lender-led restructuring, debt was reduced from c. €80m, and €30m new money was injected into the company
Interserve	Support Services	October 2019	UK	GBP	160.0	CF	Super Senior	39	Liquidity	Confidential	Confidential	24.4%	- Facility raised to provide liquidity
New Look	Retail	May 2019	UK	GBP	500.0	Bond	Senior	150	Restructuring	800bps cash and 400bps PIK	5 Years	30.0%	The facility was raised to refinance the interim financing, pay transaction costs, and provide additional liquidity to the business
Conforama [4]	Retail	April 2019	Spain	EUR	2,086.0	n.a.	n.a.	316	Restructuring	E + 1,000bps	4 Years	15.1%	- The facility was raised to ensure the stability of capital structure and operations
Astaldi	Construction	February 2019	Italy	EUR	2,596.0	FRN	Super Senior	75	Liquidity	E + 475bps cash and 850bps PIK [5]	3 Years	2.9%	- The company issued the Notes in order to pursue business continuity and to support the operation of the work orders
<b>Low</b>										<b>550bps</b>	<b>0.5 Years</b>		
<b>Mean</b>										<b>1,020bps</b>	<b>3.3 Years</b>		
<b>Median</b>										<b>1,000bps</b>	<b>3.0 Years</b>		
<b>High</b>										<b>1,625bps</b>	<b>5.0 Years</b>		

Sources: Debtwire, BeBeez, Public Filings, HL Confidential Information.

Notes:

1. Excludes capital leases.

2. Pricing based on a Debtwire article, as of 19 May 2020, which reported that Codere was in talks with Pimco and The Carlyle Group for an urgently needed €100m liquidity line, and the cost was tentatively pegged at around 10%.

3. Net debt as of 30 June 2019.

4. €50m in SEAG bridge financing provided to Conforama entities repaid in full from proceeds of the New Money. Existing €115m Tikehau financing to remain in place with its maturity extended co-terminus with the New Money, while retaining its existing security package.

5. Cash Margin: E + 475bps. PIK Margin: (i) First year, 650bps; (ii) 950bps thereafter.

# New Money Funding

## Case Studies (1/8)

Company	Industry	Company Overview	Situation Overview	New Money Key Terms
 BOARDRIDERS.  September 2020	 Retail	<ul style="list-style-type: none"> <li>Boardriders, Inc. designs, develops, and distributes branded apparel, footwear, accessories, and related products primarily for men, women, and children.</li> <li>The company provides its products for casual activities as well as for outdoor lifestyle associated with surfing, skateboarding, and snowboarding, among others. It offers its products primarily under the Quiksilver, Billabong, DC, and Roxy brands through a range of distribution channels.</li> <li><i>Total Debt: n.a.</i></li> </ul>	<ul style="list-style-type: none"> <li>In September 2020, certain European subsidiaries of Boardriders, Inc., entered into an out-of-court transaction, which consisted of an unsecured \$45 million TL from the French government, a \$45 million new money financing on a super-senior secured basis, and \$45 million from PE sponsor Oaktree Capital.</li> <li>Proceeds from the new money facilities will be used to reduce the outstanding ABL revolver borrowing, pay transaction fees and expenses, and boost cash liquidity to navigate through the consumer instability caused by the COVID-19 pandemic.</li> </ul>	<ul style="list-style-type: none"> <li>Confidential</li> </ul>
  4 September 2020	 Transport	<ul style="list-style-type: none"> <li>Virgin Atlantic is a British airline and holiday business.</li> <li>Alongside Delta Air Lines and Air France-KLM, Virgin Atlantic operates a leading transatlantic joint venture between the UK and the US with onward connections to more than 200 international destinations, as well as a holiday business, Virgin Holidays, which employs c. 6,500 people worldwide, serving 25 destinations across four continents.</li> <li><i>Total Debt: £2.56 billion</i></li> </ul>	<ul style="list-style-type: none"> <li>In May 2020, as passenger demand plummeted, Virgin Atlantic commenced discussions with its stakeholders to address its liquidity needs. On 14 July, the company announced the agreement in principle for a solvent recapitalisation.</li> <li>On 4 September, a restructuring and new money financing agreement was implemented, which is expected to provide c. £1.2 billion in financial support for the business over a five-year period, including (i) £170 million of new secured financing provided by Davidson Kempner; (ii) c. £600 million of shareholder support; (iii) more than £450 million of payment deferrals from lessors and other trade creditors; (iv) an extension of the company's RCF; (v) and the support of credit card acquirers.</li> </ul>	<ul style="list-style-type: none"> <li>Size: £170 million</li> <li>No other terms disclosed</li> </ul>

# New Money Funding

## Case Studies (2/8)

Company	Industry	Company Overview	Situation Overview	New Money Key Terms
  31 August 2020	 Transport	<ul style="list-style-type: none"> <li>Swissport International AG is the world's leader in airport ground and cargo handling services, providing services for 265 million airline passengers and handling c. 4.6 million tons of air freight.</li> <li>The company offers ground handling services, including station management, aircraft servicing, and ramp handling; passenger services; cargo services, such as freight and document handling, call centre, airline customer services, and warehousing; and fuelling services, among others.</li> <li><i>Total Debt: €2.11 billion</i></li> </ul>	<ul style="list-style-type: none"> <li>On 31 August 2020, Swissport has agreed to a restructuring plan with creditors and shareholders, including a debt-for-equity swap, a €300 million additional super-senior interim facility, and a new €500 million long-term debt facility, which will refinance the super-senior interim facility.</li> <li>Under the terms of this Lock-Up Agreement, Swissport will launch an M&amp;A process to run in parallel with other restructuring steps. Absent any qualifying third-party bid, the ad hoc group of senior secured creditors will own more than 75% of the equity of Swissport.</li> <li>The super-senior facility provides liquidity to trade through the COVID-19 pandemic and to facilitate the restructuring process.</li> </ul>	<ul style="list-style-type: none"> <li>Size: €300 million</li> <li>Cash Margin: E + 100 bps</li> <li>PIK Margin: E + 900 bps</li> <li>Structuring Fee: 1.5%</li> <li>Exit Fee: 5.5%</li> <li>Backstop Consideration Fee: 2.5%</li> <li>Maturity: Four months, unless extended to six months</li> <li>Ranking: Super senior</li> </ul>
  13 July 2020	 Gaming	<ul style="list-style-type: none"> <li>Codere S.A. engages in the private gaming business.</li> <li>The company operates amusement and gaming machines, bookmakers, bingo halls, casinos, and racetracks.</li> <li>As of 2018, the company managed 57,130 gaming machines, 148 gaming halls, 7,659 betting locations, four racetracks, and online gaming platforms.</li> <li><i>Total Debt: €897.4 million</i></li> </ul>	<ul style="list-style-type: none"> <li>On 28 April 2020, the company announced it was looking to raise €100 million in emergency liquidity.</li> <li>As of 19 May 2020, Codere was in talks with Pimco and The Carlyle Group for an urgently needed €100 million liquidity line.</li> <li>On 13 July 2020, Codere confirmed it has reached an agreement for a refinancing transaction, which includes:               <ol style="list-style-type: none"> <li>€85 million to provide liquidity to support operations pending the closing of the transaction</li> <li>€165 million to refinance Codere's existing RCF and provide further liquidity</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>Size: €250 million</li> <li>Margin: 1,000 bps<sup>(1)</sup></li> <li>Maturity: September 2023</li> <li>Ranking: Super senior</li> <li>Amendments to the terms of the existing notes include:               <ol style="list-style-type: none"> <li>An extension of maturities to 1 November 2023</li> <li>Increased interest rates</li> </ol> </li> </ul>

# New Money Funding

## Case Studies (3/8)

Company	Industry	Company Overview	Situation Overview	New Money Key Terms
   8 July 2020	  Retail	<ul style="list-style-type: none"> <li>Matalan engages in the retail of clothing and homeware products in the United Kingdom.</li> <li>As of 2020, the company employed more than 13,000 people and had 230 stores in the United Kingdom, together with 32 franchise stores in Europe and the Middle East.</li> </ul> <ul style="list-style-type: none"> <li><i>Total Debt: £476.3 million</i></li> </ul>	<ul style="list-style-type: none"> <li>On 27 April 2020, Matalan announced that it was assessing a number of alternative options to raise additional funding.</li> <li>The funding is required to enable Matalan to manage the short- to medium-term cash flow impacts following the temporary loss of store revenue due to the COVID-19.</li> <li>On 8 July 2020, Matalan announced that it has secured £50 million of new money from creditors. The capital consists of:               <ol style="list-style-type: none"> <li>£25 million RCF from the UK government's Coronavirus Large Business Interruption Loan Scheme (CLBILS)</li> <li>£25 million of super senior bonds only ranked below the revolving credit facility</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>Size: €25 million (plus £25 million RCF from the CLBILS)</li> <li>Cash Margin: 1,625 bps</li> <li>Maturity: n.a.</li> <li>Ranking: Super senior</li> </ul>
   7 July 2020	  Hospitality	<ul style="list-style-type: none"> <li>Carlson Travel (CWT) is the second largest global travel management company in the world.</li> <li>The company operates in 145 countries through its network of wholly owned subsidiaries and partners.</li> <li>CWT provides travel booking and servicing across a wide range of channels, including travel counselors, proprietary digital mobile and desktop channels, and third-party booking tools.</li> </ul> <ul style="list-style-type: none"> <li><i>Total Debt: \$1.18 billion</i></li> </ul>	<ul style="list-style-type: none"> <li>CWT has been adversely impacted by the global halt in corporate travel and corporate meetings, events, and conferences as a result of the COVID-19 outbreak.</li> <li>As a result, management has already initiated actions that are projected to save over \$330 million of cash in 2020.</li> <li>CWT is seeking to raise capital to ensure financial flexibility to withstand the global decline in travel volumes resulting from the COVID-19 crisis and potential prolonged macroeconomic downturn.</li> <li>On 7 July 2020, the company disclosed the proposed terms of its restructuring.</li> </ul>	<ul style="list-style-type: none"> <li>Size: \$125 million</li> <li>Margin: 850 bps</li> <li>Maturity: 2025</li> <li>Ranking: Senior secured</li> <li>Investors that invest in the new money notes shall also receive their pro rata share of 10.0% of the equity of the issuer or a newly formed holding company.</li> </ul>

# New Money Funding

## Case Studies (4/8)

Company	Industry	Company Overview	Situation Overview	New Money Key Terms
   20 May 2020	  Civil Engineering	<ul style="list-style-type: none"> <li>Officine Maccaferri S.p.A. provides engineered solutions to the civil engineering, geotechnical, and environmental construction markets.</li> <li>The company produces a wide range of geosynthetics, including geogrids and geocomposites, and is the leader in the manufacturing of gabions.</li> </ul> <ul style="list-style-type: none"> <li><i>Total Debt: €289.7 million<sup>(1)</sup></i></li> </ul>	<ul style="list-style-type: none"> <li>On 20 March 2020, Maccaferri announced the acceptance of a restructuring involving the provision of new financing from a group of bondholders, led by Carlyle.</li> <li>On 20 May 2020, the board of directors approved the application for concordato con riserva.</li> <li>As a part of the restructuring, the lenders provided a €60 million minibond to support the operations of the company, with a 8% interest rate and a 5% default rate. Post-restructuring, the minibond will be refinanced by a similar long-term facility.</li> <li>On 24 September 2020, Carlyle has come up with a revised proposal reducing the new money amount to €40 million, as the company needed less than anticipated.</li> </ul>	<ul style="list-style-type: none"> <li>Size: €40 million</li> <li>Cash Margin: 650 bps</li> <li>PIK Margin: 650 bps</li> <li>Maturity: Four years</li> <li>Ranking: Super senior</li> <li>€30 million may be converted at any time into Officine Maccaferri shares, equal to 83% of the capital of the post-restructuring company.</li> </ul>
   31 March 2020	  Hospitality	<ul style="list-style-type: none"> <li>Hotelbeds, S.L.U. operates an online database of hotels that operate worldwide.</li> <li>Hotelbeds is a travel technology company that operates a hotel distribution platform accessed by travel agents, tour operators, airlines, and loyalty programs to make hotel bookings for their customers.</li> <li>It is a business-to-business accommodation wholesaler.</li> </ul> <ul style="list-style-type: none"> <li><i>Total Debt: €2.46 billion</i></li> </ul>	<ul style="list-style-type: none"> <li>As the accommodation sector was in complete shutdown mode during the coronavirus lockdown, Hotelbeds expected total transaction volumes (TTVs) to reduce by c. 90% to just €50 million–€60 million in April and May, resulting in negative €20 million EBITDA per month.</li> <li>However, the company expected to gradually recover after the summer, with monthly TTVs hitting €430 million again by December and monthly EBITDA recovering to €30 million.</li> <li>On 31 March 2020, Cinven, EQT, and the Canada Pension Plan Investment decided to provide a €430 million new term loan to address the short-term liquidity needs of the company.</li> </ul>	<ul style="list-style-type: none"> <li>Size: €400 million</li> <li>Cash Margin: E + 550 bps</li> <li>PIK Margin: 650 bps</li> <li>Maturity: September 2023 (c. 3.5 years)</li> <li>Ranking: Senior, pari passu with the existing paper</li> </ul>

# New Money Funding

## Case Studies (5/8)

Company	Industry	Company Overview	Situation Overview	New Money Key Terms
  16 March 2020	 Hospitality	<ul style="list-style-type: none"> <li>PizzaExpress Limited owns and operates pizza restaurants.</li> <li>PizzaExpress has more than 470 restaurants across the United Kingdom and 100 overseas in Europe, Hong Kong, China, India, Indonesia, Kuwait, the Philippines, the United Arab Emirates, Singapore, and Saudi Arabia.</li> </ul> <p><i>Total Debt: £1.19 billion</i></p>	<ul style="list-style-type: none"> <li>On 13 January 2020, PizzaExpress entered into a £10 million super senior loan agreement with Hony Capital to fund working capital requirements.</li> <li>Amid a difficult time for casual dining chains, as customers were advised to avoid eating out to stop the spread of the coronavirus, on 16 March 2020, HPS Investment Partners provided a £70 million super senior term loan facility.</li> <li>The facility was raised to fund corporate and working capital requirements and to repay in full the group's (i) £20 million super senior revolving credit facility and (ii) £10 million super senior term facility with Hony Capital, both due to expire in August.</li> </ul>	<ul style="list-style-type: none"> <li>Size: £70 million</li> <li>Cash Margin: L + 675 bps</li> <li>Libor Floor: 75 bps</li> <li>Maturity: Three years</li> <li>Ranking: Super senior</li> <li>OID: 2.5%</li> <li>Prepayment Fee: (i) First year, a make-whole premium; (ii) second year, 3% of the amounts prepaid; and (iii) first six months of the third year, 1% of the amounts prepaid. No prepayment fee afterwards.</li> </ul>
  February 2020	 Support Services	<ul style="list-style-type: none"> <li>Interserve PLC is a global support services and construction sector company.</li> <li>Interserve derives the majority of its operating profits from support services in the United Kingdom through government or municipal contracts.</li> <li>It serves clients in four core business lines: Support Services, Construction UK, Construction International, and Equipment Services (RMDK).</li> </ul> <p><i>Total Debt: £285.0 million</i></p>	<ul style="list-style-type: none"> <li>On 6 February 2019, Interserve announced that its creditors agreed in principle to take over the company, cutting their debt by more than half and swapping it for shares, resulting in creditors owning 97.5% of Interserve's ordinary shares.</li> <li>However, on 15 March 2019, the equity holders, led by the largest shareholder, Coltrane Asset Management, rejected the rescue plan, and the company collapsed into administration. The business was sold to hedge funds and banks via a "pre-pack" administration.</li> <li>In February 2020, the lenders provided a £125 million facility to re-establish a stable platform from which to grow and provide good liquidity for the next few years.</li> </ul>	<ul style="list-style-type: none"> <li>Confidential</li> </ul>

# New Money Funding

## Case Studies (6/8)

Company	Industry	Company Overview	Situation Overview	New Money Key Terms
 ADDISON LEE   21 February 2020	  Taxi and Private Hire	<ul style="list-style-type: none"> <li>Addison Lee Limited is a private hire services company.</li> <li>The company primarily provides premium car transportation services.</li> <li>In addition, Addison Lee offers couriers services and national and international delivery.</li> <li>The company primarily operates in the UK; however, its services are available in more than 90 countries.</li> </ul> <p><i>Total Debt: £136.0 million</i></p>	<ul style="list-style-type: none"> <li>In 2013, Carlyle acquired the business for £300 million. That same year, Uber entered the UK market. In a bid to gain scale, Addison Lee began to acquire smaller competitors.</li> <li>Integration problems, high cash burn on capex, IT investments, and rising fleet leasing costs forced Carlyle to inject £30.6 million. Subsequently in 2019, the lenders provided a £10 million bridge loan to initiate the company's sale process.</li> <li>In 2019, the company initiated two sale processes, both unsuccessful.</li> <li>On 21 February 2020, the lenders took over the company in a debt-for-equity swap deal, involving £36 million of new money to repay an up-to-£16 million bridge facility and for general working capital requirements.</li> </ul>	<ul style="list-style-type: none"> <li>Size: £36 million</li> <li>Cash Margin: L + 1,000 bps</li> <li>Maturity: Three years</li> <li>Ranking: Super senior</li> <li>Commitment Fee: 3.5%</li> <li>Carries optional and mandatory cash sweep clauses</li> </ul>
    October 2019	  Telecommunications	<ul style="list-style-type: none"> <li>Bulsatcom was the first direct-to-home (DTH) operator in Bulgaria and is currently the No. 1 pay-TV operator in the country.</li> <li>Bulsatcom entered the broadband market in 2010 through acquisitions, and it is currently the No. 3 broadband operator in Bulgaria.</li> <li>Bulsatcom operates an industry-standard DTH and IPTV distribution infrastructure and fibre broadband network.</li> </ul> <p><i>Total Debt: c. €72 million</i></p>	<ul style="list-style-type: none"> <li>In 2015, the company bought a geostationary communications satellite, Bulgaria Sat, borrowing €85 million from an international banking syndicate.</li> <li>However, due to higher-than-expected cost of the satellite and the delay in its delivery, Bulsatcom was faced with problems in servicing its debt, and in June 2017 it failed to make repayments.</li> <li>In October 2019, the company completed the lenders-led restructuring of c. €80 million of existing debt and the advancement of €30 million of new secured debt to the Bulsatcom group.</li> </ul>	<ul style="list-style-type: none"> <li>Confidential</li> </ul>

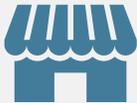
# New Money Funding

## Case Studies (7/8)

Company	Industry	Company Overview	Situation Overview	New Money Key Terms
  <p>October 2019</p>	 <p>Support Services</p>	<ul style="list-style-type: none"> <li>Interserve PLC is a global support services and construction sector company.</li> <li>Interserve derives the majority of its operating profits from support services in the United Kingdom through government or municipal contracts.</li> <li>It serves clients in four core business lines: Support Services, Construction UK, Construction International, Equipment Services (RMDK).</li> </ul> <p><i>Total Debt: £160.0 million</i></p>	<ul style="list-style-type: none"> <li>On 6 February 2019, Interserve announced that its creditors agreed in principle to take over the company, cutting their debt by more than half and swapping it for shares, resulting in creditors owning 97.5% of Interserve's ordinary shares.</li> <li>However, on 15 March 2019, the equity holders, led by the largest shareholder, Coltrane Asset Management, rejected the rescue plan, and the company collapsed into administration. The business was sold to hedge funds and banks via a "pre-pack" administration</li> <li>In October 2019, the lenders provided a £39 million credit line to fund the company's operations.</li> </ul>	<ul style="list-style-type: none"> <li>Confidential</li> </ul>
  <p>3 May 2019</p>	 <p>Retail</p>	<ul style="list-style-type: none"> <li>New Look Retail Group Ltd. operates a chain of retail stores that sell apparel, footwear, and accessories for women, men, and teenage girls.</li> <li>As of 30 March 2019, the company operated 519 stores in the UK and Ireland.</li> <li>The company also sells its products through the online channel, which generates c. 20% of sales. New Look ships its products to around 66 countries worldwide.</li> </ul> <p><i>Total Debt: £500.0 million</i></p>	<ul style="list-style-type: none"> <li>As a consequence of negative performance and in light of a difficult market environment, and also considering additional uncertainties related to Brexit, the company decided to address the group's capital structure to strengthen its liquidity profile and accelerate the implementation of its turnaround strategy.</li> <li>On 14 January 2020, New Look announced an agreement "in principle" in relation to a restructuring plan. As part of the plan, existing long-term debt was reduced by c. 80% from £1.35 billion to £350 million. In addition, the lenders injected £150 million new money bonds to refinance a £80 million interim financing, pay transaction costs, and provide additional liquidity to the business. The restructuring closed on 3 May 2019.</li> </ul>	<ul style="list-style-type: none"> <li>Size: £150 million</li> <li>Cash Margin: 800 bps</li> <li>PIK Margin: 400 bps</li> <li>Maturity: Five years</li> <li>Ranking: Senior, pari passu with the reinstated SSNs</li> <li>PIK Toggle: 2% premium</li> </ul>

# New Money Funding

## Case Studies (8/8)

Company	Industry	Company Overview	Situation Overview	New Money Key Terms
<p><b>Conforama</b></p>  <p>11 April 2019</p>	 <p>Retail</p>	<ul style="list-style-type: none"> <li>Conforama is a specialist furniture retailer, focused on home furniture and equipment.</li> <li>The company operates one-stop stores in France and Europe, offering multistyle home equipment: <ul style="list-style-type: none"> <li>Furniture: Sitting, bedding, kitchen, garden, and office furniture</li> <li>Home Electronics: Fridges, TVs, hi-fi systems, and washing machines</li> <li>Home Accessories: Lighting, rugs, textiles, and décor products</li> </ul> </li> <li><b>Total Debt: €2.09 billion</b></li> </ul>	<ul style="list-style-type: none"> <li>Between 2016 and 2018, an increase in operating expenses from store openings and marketing campaigns deteriorated the company's revenues. In addition, revenues were negatively impacted following the disclosure of accounting irregularities in the parent company, Steinhoff.</li> <li>On 11 April 2019, the French Commercial Court of Meaux approved the conciliation agreement between Conforama and their creditors, allowing the company to proceed to implement its financial restructuring.</li> <li>The company raised c. €316 million of new money financing to ensure the stability of its capital structure and operations. The existing €115 million Tikehau (TKO) financing remained in place, retaining its security package.</li> </ul>	<ul style="list-style-type: none"> <li>Size: €316 million</li> <li>Cash Margin: E + 1,000 bps</li> <li>Maturity: Four years</li> <li>Fees: Commitment Fee, 6.0%; OID, 2.5%; Backstop Fee, 2.5%</li> <li>PIK Toggle: 2% premium</li> <li>Warrants equal to 49.9% share capital of the Conforama Holding SA</li> <li>Prepayment Fee: (i) Three years, 10%; (ii) 5% thereafter</li> <li>Security Package: French Fiducie security over share capital and intergroup loans and Golden Shares in fiducie; Fliba d.o.o real estate</li> </ul>
<p><b>ASTALDI</b></p>  <p>12 February 2019</p>	 <p>Construction</p>	<ul style="list-style-type: none"> <li>Astaldi S.p.A. is an international construction group and one of Europe's top 25 contractors. It holds the 47th place in ENR's International Contractors world rankings.</li> <li>The group operates in a wide range of sectors. Astaldi designs, develops, and operates public infrastructure and large-scale civil engineering works and has experience in transport infrastructure, energy production plants, civil and industrial construction, plant design and engineering, and operation and maintenance.</li> <li><b>Total Debt: €2.60 billion</b></li> </ul>	<ul style="list-style-type: none"> <li>On 16 January 2019, the Court of Rome authorised Astaldi to incur super-senior indebtedness as a matter of urgency.</li> <li>On 12 February 2019, the company announced that Fortress Credit Corporation provided €75.0 million funding in the form of super senior notes.</li> <li>The loan was necessary to cover urgent financial requirements for corporate business operations.</li> </ul>	<ul style="list-style-type: none"> <li>Size: €75 million</li> <li>Cash Margin: E + 475 bps</li> <li>PIK Margin: (i) First year, 650 bps; (ii) 950 bps thereafter</li> <li>Euribor Floor: 100 bps</li> <li>Maturity: Three years</li> <li>Ranking: Super senior</li> </ul>

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