



# European Super Senior New Money Study

---

MAY 2021



Houlihan Lokey is the trusted advisor to more top decision-makers than any other independent global investment bank.

### Corporate Finance

	Advisor	Deals
1	<b>Houlihan Lokey</b>	<b>210</b>
2	Goldman Sachs & Co	172
3	JP Morgan	132
4	Evercore Partners	126
5	Morgan Stanley	123

Source: Refinitiv (formerly known as Thomson Reuters)

**No. 1** U.S. M&A Advisor

**Top 5** Global M&A Advisor

**Leading** Capital Markets Advisor

### Financial Restructuring

	Advisor	Deals
1	<b>Houlihan Lokey</b>	<b>106</b>
2	PJT Partners Inc	63
3	Lazard	50
4	Rothschild & Co	46
5	Moelis & Co	39

Source: Refinitiv (formerly known as Thomson Reuters)

**No. 1** Global Restructuring Advisor

**1,400+** Transactions Completed  
Valued at More Than \$3.0 Trillion  
Collectively

### Financial and Valuation Advisory

	Advisor	Deals
1	<b>Houlihan Lokey</b>	<b>956</b>
2	JP Morgan	876
3	Duff & Phelps	802
4	Morgan Stanley	599
5	BofA Securities Inc	542

Refinitiv (formerly known as Thomson Reuters). Announced or completed transactions.

**No. 1** Global M&A Fairness Opinion  
Advisor Over the Past 20 Years

**1,000+** Annual Valuation  
Engagements

# Financial and Valuation Advisory

Houlihan Lokey is actively tracking the space as more of super senior instruments require an independent valuation or fairness opinion issued to boards of directors. Houlihan Lokey is highly experienced in providing valuations and fairness opinions to facilitate the negotiation and implementation of companies' potential injection of new money.

## 1. Houlihan Lokey and Its Relevant Credentials

- We conduct more than 1,000 valuation exercises per calendar year, and we are a leading provider of fairness opinions globally.
- The benefits of being the only major valuation provider attached to an investment bank with a large restructuring practice is that we get real-world insight into the prices at which illiquid securities change hands. Most of the recent issuances of super senior new money facilities involved Houlihan Lokey acting in different roles through its Financial and Valuation Advisory and Financial Restructuring businesses and Capital Markets Group.

## 2. Houlihan Lokey's Independent Valuation and Opinion Practice

- As a pure advisory house, Houlihan Lokey is proud of its independence and is free from the conflicts of interest associated with issuing or trading debt, equity, or any securities and commodities. Houlihan Lokey's valuation practice is independent from other Houlihan Lokey investment banking groups.
- Houlihan Lokey specialises in offering impartial and objective financial advice and is a recognised market leader in providing valuation and fairness opinion services. Company boards rely on Houlihan Lokey's fairness opinions in fulfilling their fiduciary duties and executing transactions in line with industry best practices.

## 3. Houlihan Lokey's Dedicated Team

- The team dedicated to the valuation of new money securities will be led by Milko Pavlov, the EMEA lead for our global valuation practice. He will be supported by a cross-sectional team of valuation practitioners and industry and product experts.
- Our credibility and experience in preparing valuation reports will support the transaction process, as our brand is widely recognised by the alternative investment industry. A third-party valuation facilitates the management of conflicts of interest between different parties involved. Houlihan Lokey has extensive experience in the new money space to provide valuation and benchmarking analyses necessary to determine the fair value of new instruments.

## Financial and Valuation Advisory

### 2001 to 2020 Global M&A Fairness Advisory Rankings

	Advisor	Deals
1	Houlihan Lokey	956
2	JP Morgan	876
3	Duff & Phelps	802
4	Morgan Stanley	599
5	BofA Securities Inc	542
















Refinitiv (formerly known as Thomson Reuters). Announced or completed transactions.

**No. 1** Global M&A Fairness Opinion Advisor Over the Past 20 Years

**1,000+** Annual Valuation Engagements



# Debt Capital Markets

	Typical role	Typical fee structure	The Houlihan Lokey difference	Houlihan Lokey deals <sup>(1)</sup>
<p><b>1</b></p> <p><b>Competing bulge bracket banks for large-cap financings</b></p>	<p>Minimising financing risk and cost for the company from offers from very experienced lenders, going “wide” to ensure proper competition</p>	<p>Primarily success-based fee at flat level</p>	<p><i>Having sat on the other side of the table for many decades, we understand investment banks' thinking</i></p>	 <p>has acquired</p>  <p>Signature Foods*</p> <p>Financial Advisor</p>  <p>acquired two pain-related brands from AstraZeneca</p> <p>€635,000,000 term loan facility €400,000,000 revolving credit facility</p> <p>Financing Advisor</p>
<p><b>2</b></p> <p><b>Light touch/process management</b></p>	<p>As above, but usually approaching a small group of known lenders with high-quality diligence materials</p>	<p>Primarily success-based fee at flat level</p>	<p><i>Our constant dialogue with lenders means we can prescreen investors and approach fewer parties</i></p> <p><i>We focus on those processes in which investors are currently “liquid” and aggressive on terms</i></p>	 <p>a portfolio company of</p>  <p>has acquired</p>  <p>BTG</p> <p>Financing Advisor</p> <p>Funds advised by</p>  <p>CASTIK CAPITAL</p> <p>have acquired</p>  <p>CUSTOMS SUPPORT</p> <p>Financing Advisor</p>
<p><b>3</b></p> <p><b>Opportunistic refinancings</b></p>	<p>Usually commissioned solely for the refinancing process</p> <p>Usually a wide process requiring preparation of full due diligence materials</p>	<p>Variable success-based fee based on our ability to deliver key metrics</p> <p>Sometimes a retainer if the outcome is uncertain</p>	<p><i>We put as much time and effort into financing materials as our M&amp;A colleagues would in a sellside process</i></p> <p><i>We have an active and hands-on approach, including editing of third-party reports to optimise messaging</i></p> <p><i>We have proprietary knowledge of precedents and aim to deliver market-leading terms</i></p>	 <p>a portfolio company of funds advised by</p>  <p>ORLANDO MANAGEMENT AG</p> <p>has successfully completed a refinancing</p> <p>Financing Advisor</p>  <p>ICS Independent Clinical Services</p> <p>a portfolio company of</p>  <p>TOWERBROOK</p> <p>has successfully completed a dividend recapitalisation</p> <p>Financing Advisor</p>
<p><b>4</b></p> <p><b>Liability management/special situations</b></p>	<p>Similar to 1 and 3, with significant structuring input from Houlihan Lokey</p>	<p>Typically a retainer plus a flat success-based fee</p>	<p><i>Our team has led financings, lender side, in most major geographies in EMEA, and consequently knows the typical lender structure concerns</i></p> <p><i>Through our proprietary lender database, we have far-reaching relationships with lenders who focus on out-of-favour industries, jurisdictions, and asset types</i></p>	 <p>austrocel hallein</p> <p>a portfolio company of</p>  <p>TOWERBROOK</p> <p>has successfully raised additional growth debt financing and amended its existing credit facilities</p> <p>Financing Advisor</p>  <p>GRÜNENTHAL</p> <p>has completed a €535,000,000 amend and extend of its existing term facilities</p> <p>Financing Advisor</p>

**Our constant dialogue with lenders allows us to prescreen and target select parties based on specific financing asks**

(1) Tombstones included herein represent transactions closed from 2018 forward.

# Super Senior New Money Funding

## Summary

Activity increased in super senior new money funding across Europe with 19 borrowers raising c. €1.7 billion between February 2019 and March 2021.

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	
Smile Telecoms	Telecommunications	March 2021	UK	USD	326.9	Loans	Super Senior	65	Sale	900bps PIK	9 Months	19.8%	- Facility was raised to secure liquidity while implementing an expedited sale transaction
Ferroglobe	Metals and Mining	March 2021	UK	USD	589.7	Notes	Super Senior	60	Liquidity	900bps cash	4.25 Years	10.2%	- Facility was raised to bolster the overall liquidity of the company, providing sufficient cash to deliver on its strategic plan
Takko Fashion	Retail	March 2021	Germany	EUR	790.0	Loans	Super Senior	24	Liquidity	n.a.	n.a.	3.0%	- Facility was raised alongside a €30.0 million private placement with investors to cover the liquidity needs of the company
Dümmen Orange	Agricultural Products	February 2021	Netherlands	EUR	248.0 [2]	TL	Super Senior	50	Restructuring	n.a.	n.a.	20.2%	- The company agreed on a restructuring entailing an equitization of the debt (> 50%) and the provision of €50.0 million new money (plus €35.0 million super senior RCF to be potentially raised in the future)
PizzaExpress	Hospitality	November 2020	UK	GBP	463.0	n.a.	Super Senior	144	Restructuring	750bps cash or 900bps PIK	4.5 years	31.1%	- Facility was raised to fund working capital requirements following the restructuring. The lenders will also receive a substantial equity allocation
Prisa	Media	October 2020	Spain	EUR	782.0	Notes	Super Senior	110	Liquidity	n.a.	n.a.	14.1%	- An initial €35 million tranche will be issued upon successful consent of the A&E agreement. The additional €75 million of new money will only be issued subject to delivery of certain conditions
Intu Metrocentre	Retail	October 2020	UK	GBP	485.0	Notes	Super Senior	25	Restructuring	SONIA + 1,100bps PIK	3 Years	5.2%	- The £25 million super senior new money injection is part of a temporary restructuring
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
Virgin Atlantic	Air Transport	September 2020	UK	GBP	Confidential	n.a.	n.a.	170	Restructuring	Confidential	Confidential	Confidential	- A restructuring and new money financing agreement implemented, expected to provide c. £1.2 billion in financial support, including £170 million of new secured financing provided by Davidson Kempner
Swissport	Air Transport	August 2020	Switzerland	EUR	600.0	Notes	Super Senior	300	Restructuring	E + 100bps cash and E + 900bps PIK	6 Months	50.0%	- The €300 million Interim Facility gives Swissport ample headroom to trade through the COVID-19 crisis. The facility will be borrowed in two utilizations
<b>Low</b>										<b>700bps</b>	<b>0.5 Years</b>		
<b>Mean</b>										<b>1,053bps</b>	<b>2.9 Years</b>		
<b>Median</b>										<b>1,000bps</b>	<b>3.0 Years</b>		
<b>High</b>										<b>1,625bps</b>	<b>4.5 Years</b>		

Sources: Debtwire, BeBeez, Public Filings.

Notes:

(1) Excludes capital leases.

(2) Post-restructuring total debt estimated, based on the current debt of the company of €495m, reinstated at 40 cents, plus the €50 million super senior facility.

(3) 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%.

(4) Net debt as of 30 June 2019.

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

# Super Senior New Money Funding

## Summary (cont.)

Activity increased in super senior new money funding across Europe with 19 borrowers raising c. €1.7 billion between February 2019 and March 2021.

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	
Codere	Gaming	July 2020	Spain	EUR	897.4	Notes	Super Senior	250	Liquidity	1,000bps [3]	3 Years	27.9%	- Financing issued in two tranches: (i) €85 million to provide liquidity to support operations pending closing of the Transaction; and (ii) a €165 million to refinance Codere's existing RCF and provide further liquidity
Matalan	Retail	July 2020	UK	GBP	476.3	Bond	Super Senior	25	Liquidity	1,625bps	n.a.	5.2%	- The facility was raised to mitigate the impact of COVID-19 on the business. (i) £25 million from Matalan's existing bondholders, (ii) £25 million RCF from the UK Government's Coronavirus Loan Scheme
Officine Maccaferri	Civil Engineering	May 2020	Italy	EUR	249.7 [4]	Bond	Super Senior	20	Restructuring	650bps cash and 650bps PIK	4 Years	8.0%	- 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
PizzaExpress	Hospitality	March 2020	UK	GBP	1,192.5	TL	Super Senior	70	Pre-Restructuring	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	Restructuring	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 £16 million 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. €80 million, and €30 million 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
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>700bps</b>	<b>0.5 Years</b>		
<b>Mean</b>										<b>1,053bps</b>	<b>2.9 Years</b>		
<b>Median</b>										<b>1,000bps</b>	<b>3.0 Years</b>		
<b>High</b>										<b>1,625bps</b>	<b>4.5 Years</b>		

Sources: Debtwire, BeBeez, Public Filings.

Notes:

(1) Excludes capital leases.

(2) Post-restructuring total debt estimated, based on the current debt of the company of €495m, reinstated at 40 cents, plus the €50 million super senior facility.

(3) 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%.

(4) Net debt as of 30 June 2019.







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

## **Q1 2021 Super Senior New Money Funding**

---

# Super Senior New Money Funding







## Case Studies (1/2)

Company	Industry	Company Overview	Situation Overview	New Money Key Terms
  30 March 2021	 Telecom	<ul style="list-style-type: none"> <li>Founded in 2007, with its head office in England, Smile Telecoms is a Pan-African telecommunications group with operations in Nigeria, Tanzania, Uganda and the Democratic Republic of the Congo, and South Africa.</li> <li>The company has one of the largest sub-1 GHz 4G LTE commercial networks in Africa, operating in the “future proof” low band, 800 MHz band, and mid-band. Smile was the first to launch VoLTE on its network and introduced SmileVoice, a mobile app enabling customers to make voice calls over Smile’s 4G LTE network.</li> <li><i>Total Debt: \$279.0 million</i></li> </ul>	<ul style="list-style-type: none"> <li>Smile has been experiencing financial difficulties since 2016 due to devaluation of the Nigerian naira. Moreover, temporary network shutdowns due to its funding issues, discounting strategy of big players, and the coronavirus outbreak worsened the negative situation faced by the company.</li> <li>In March 2021, Smile secured the London High Court’s approval to proceed with a restructuring plan. Through the restructuring plan, the company will receive new money, on a super senior basis, amounting to \$64.6 million, including a \$16.7 million chunk of super senior loans that has already been provided, to secure liquidity while implementing an expedited sale transaction.</li> </ul>	<ul style="list-style-type: none"> <li>Size: \$64.6 million</li> <li>PIK Interest: 900 bps</li> <li>Interest Period: Semi-annual</li> <li>Maturity: 31 December 2021</li> <li>Ranking: Super senior</li> </ul>
  27 March 2021	 Metals and Mining	<ul style="list-style-type: none"> <li>Ferroglobe PLC is one of the world’s largest producers of silicon metal and its alloys and manganese alloys.</li> <li>The company supplies ingredients for many industrial and consumer products, from silicones to solar power cells, from steel to aluminium to foundry components.</li> <li>In addition, Ferroglobe operates quartz mines in Spain, South Africa, and the US and blue gem coal mines in the US.</li> <li><i>Total Debt: \$589.7 million</i></li> </ul>	<ul style="list-style-type: none"> <li>In March 2021, Ferroglobe announced that it had entered into a lock-up agreement with an “Ad Hoc Group,” being existing note holders, and Tyrus Capital.</li> <li>The transaction provides \$100 million of new capital and the extension of maturity and amendment to the terms of the 2022 senior notes. The new money was provided in the form of \$40 million of equity from Tyrus Capital and \$60 million of new bonds provided by the ad hoc group.</li> <li>The scope of the restructuring was to de-risk the balance sheet and bolster the overall liquidity of the company, providing sufficient cash and the required operational flexibility to deliver on its strategic plan.</li> </ul>	<ul style="list-style-type: none"> <li>Size: \$60 million</li> <li>Cash Margin: 900 bps</li> <li>Backstop Cash Fee: 4.0%</li> <li>Maturity: 30 June 2025</li> <li>Ranking: Super senior</li> <li>Repayment Premium: A repayment premium of \$17.5 million may become payable on the occurrence of certain redemption or repayment events</li> </ul>



# Super Senior New Money Funding

## Case Studies (2/2)

Company	Industry	Company Overview	Situation Overview	New Money Key Terms
  15 March 2021	 Retail	<ul style="list-style-type: none"> <li>Founded in 1982, Takko Fashion is a fashion discounter operating more than 1,900 stores in 17 European countries with almost 18,000 employees overall.</li> <li>The company offers outerwear, clothes, and accessories for the entire family designed by in-house designers that are on-trend and at a good price.</li> </ul> <p><i>Total Debt: €790.0 million</i></p>	<ul style="list-style-type: none"> <li>As a result of the COVID-19 pandemic and subsequent lockdowns, Takko Fashion needed to close its stores, thereby foregoing its main source of revenue.</li> <li>In March 2021, the company secured €53.6 million of new money in the form of a bridge loan, which will help to cover liquidity needs. The new money is split between a €30.0 million private placement with investors, including funds advised by sponsor Apax, and a €23.6 million super senior facility provided by existing lenders.</li> </ul>	<ul style="list-style-type: none"> <li>Size: €23.6 million</li> <li>Ranking: Super senior</li> <li>NA</li> </ul>
  5 February 2021	 Agricultural Products	<ul style="list-style-type: none"> <li>Founded in 2010, Dümmen Orange is one of the leading companies in the floricultural breeding sector, with a broad portfolio of cut flowers and pot and bedding plants.</li> <li>In December 2015, BC Partners reached an agreement to acquire a majority stake in Dümmen Orange from H2 Equity Partners and the Dü.</li> </ul> <p><i>Total Debt: €248 million<sup>(1)</sup></i></p>	<ul style="list-style-type: none"> <li>In February 2021, Dümmen Orange announced the signing of a lock-up agreement. The envisaged restructuring agreement entailed a debt equitization and the provision of €50 million in new money. Unanimous lender consent eliminated the need for a planned UK scheme of arrangement.</li> <li>The new proposal contemplates additional room for super senior RCF up to €35 million to be raised in the future on top of the €50 million new money provided by the lenders. The post restructuring capital structure will also include some reinstated debt at c. 40 cents, while more than 50% of the outstanding debt will be equitized.</li> </ul>	<ul style="list-style-type: none"> <li>Size: €50 million</li> <li>Ranking: Super senior</li> <li>NA</li> </ul>

Sources: Debtwire, public filings, companies' websites, BeBeez, public domain, S&P Capital IQ.




(1) Post-restructuring total debt estimated, based on the current debt of the company of €495 million, reinstated at 40 cents, plus the €50 million super senior facility.

# **Q1 2019–Q4 2020 Super Senior New Money Funding**

---







# Super Senior New Money Funding

## Case Studies (1/8)

Company	Industry	Company Overview	Situation Overview	New Money Key Terms
   <i>7 November 2020</i>	  <i>Hospitality</i>	<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> <ul style="list-style-type: none"><li>• <i>Total Debt: £463 million</i></li></ul>	<ul style="list-style-type: none"><li>• In November 2020, Pizza Express completed the restructuring process sanctioned on 29 October 2020.</li><li>• The restructuring plan mainly involved (i) a deleveraging of the company by a reduction of its total debt by c. £1 billion, (ii) the extension of debt maturities to 2025, (iii) the provision of new money funding of £144 million to fund working capital, and (iv) a CVA to effect an operational restructuring of its leasehold liabilities.</li><li>• PizzaExpress utilised c. £40 million of the new money funding at completion to fund working capital requirements.</li><li>• The super senior facility put in place in April 2020 is not subject to the restructuring plan.</li></ul>	<ul style="list-style-type: none"><li>• Size: £144 million</li><li>• Cash Interest: 750 bps</li><li>• PIK Toggle: 1.50% premium, for the first 24 months</li><li>• Maturity: 4.5 years</li><li>• Ranking: Super senior</li></ul>







# Super Senior New Money Funding

## Case Studies (2/8)

Company	Industry	Company Overview	Situation Overview	New Money Key Terms
  27 October 2020	 Media	<ul style="list-style-type: none"> <li>Prisa is a listed Spain-based education and media group that engages in the exploitation of printed and audiovisual media in Spain and internationally.</li> <li>The company has three main segments: education, by which it publishes and sells educational books; radio, which is involved in the broadcasting of advertisements and event management; and press, through which it sells newspapers and magazines.</li> <li>Total Debt: €782 million</li> </ul>	<ul style="list-style-type: none"> <li>On 19 October, Prisa announced its agreement with 80% of its debtholders to consider amendments to its term loans for which it entered into a lock-up agreement.</li> <li>The proposal includes the reset of covenants, the maturity extension of the loan to March 2025, increase in interest rates, the repayment of €400 million of debt with proceeds of the sale of Santillana Spain for €465 million, and the increase of the super senior capacity with a new liquidity line by up to €110 million.</li> <li>An initial €35 million tranche was issued upon execution of the lock-up agreement. The additional €75 million of new money would only be issued subject to delivery of certain conditions.</li> </ul>	<ul style="list-style-type: none"> <li>Size: €110 million</li> <li>NA</li> </ul>
  22 October 2020	 Retail	<ul style="list-style-type: none"> <li>Intu Metrocentre Finance is a £485 million commercial mortgage-backed security backed by Intu Metrocentre, a Gateshead shopping centre and entertainment complex.</li> <li>Intu Metrocentre is located on the former site of Dunston Power Station, near to the River Tyne, UK.</li> <li>Opened in 1986, Intu Metrocentre has more than 270 shops occupying more than 190,000 square meters of retail floor space.</li> <li>Total Debt: £485.0 million</li> </ul>	<ul style="list-style-type: none"> <li>Intu Metrocentre is to receive a £25 million super senior new money injection as part of a temporary restructuring.</li> <li>Meanwhile, the previously agreed restructuring process in August 2020 of the Intu (SGS) Finance, a hybrid CMBS/whole business securitization backed by four of the insolvent Intu Properties' UK shopping centres, now requires amendments to ensure the super senior position of the additional liquidity facility provider.</li> <li>The Metrocentre proposals involve various amendments to facilitate Sovereign (Land) Management and Savills (UK) taking over as property administrators.</li> </ul>	<ul style="list-style-type: none"> <li>Size: £25 million</li> <li>PIK Interest: SONIA + 1,100 bps</li> <li>SONIA Floor: nil</li> <li>Interest Period: Semi-annual</li> <li>OID: 3.00%</li> <li>Maturity: 6 December 2023</li> <li>Prepayment protections               <ul style="list-style-type: none"> <li>18-month non-call period</li> <li>Make-whole amount if mandatorily called during non-call period</li> </ul> </li> <li>Jurisdiction: English law</li> </ul>







# Super Senior New Money Funding

## Case Studies (3/8)

Company	Industry	Company Overview	Situation Overview	New Money Key Terms
 BOARDRIDERS. 	 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> </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>
 	 Air 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> </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>Confidential</li> </ul>

# Super Senior New Money Funding

## Case Studies (4/8)





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: €600.0 million</i></li> </ul>	<ul style="list-style-type: none"> <li>On 31 August 2020, Swissport 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 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> </ul>

Sources: Debtwire, public filings, companies' websites, BeBeez, public domain, S&P Capital IQ.

(1) 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 €100 million liquidity line, and the cost was tentatively pegged at around 10%.

# Super Senior New Money Funding

## Case Studies (5/8)







Company	Industry	Company Overview	Situation Overview	New Money Key Terms
<p>MATALAN</p>  <p>8 July 2020</p>	 <p>Retail</p>	<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> <p><i>Total Debt: £476.3 million</i></p>	<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 COVID-19.</li> <li>On 8 July 2020, Matalan announced that it secured £50 million of new money from creditors. The capital consists of: <ul style="list-style-type: none"> <li>I. £25 million RCF from the UK government's Coronavirus Large Business Interruption Loan Scheme (CLBILS)</li> <li>II. £25 million of super senior bonds ranked only junior to the revolving credit facility</li> </ul> </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: NA</li> <li>Ranking: Super senior</li> </ul>
<p>MACCAFERRI</p>  <p>20 May 2020</p>	 <p>Civil Engineering</p>	<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> <p><i>Total Debt: €289.7 million<sup>(1)</sup></i></p>	<ul style="list-style-type: none"> <li>On 20 May 2020, the board of directors approved the application for Concordato con Riserva. As part of the restructuring, the bondholders, led by Carlyle, planned to provide a €60 million minibond, 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 2 December 2020, the group of bondholders led by Carlyle took over the equity of the company for c. €10 million.</li> <li>On 22 December 2020, the Bologna court rejected for the second time the new restructuring proposal. As of March 2021, the group is working on a third restructuring proposal. The plan entails a €20 million bridge financing from two banks, which will be refinanced or repaid by the Carlyle-led group once the plan gets homologated.</li> </ul>	<ul style="list-style-type: none"> <li>Size: €20 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>

Sources: Debtwire, public filings, companies' websites, BeBeez, public domain, S&P Capital IQ.

(1) Net debt as of 30 June 2019.

# Super Senior New Money Funding







## Case Studies (6/8)

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>









# Super Senior New Money Funding

## Case Studies (7/8)

Company	Industry	Company Overview	Situation Overview	New Money Key Terms
 ADDISON LEE 	 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 courier 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>
 	 Telecom	<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 the higher-than-expected cost of the satellite and the delay in its delivery, Bulsatcom faced problems in servicing its debt, and in June 2017 it failed to make repayments.</li> <li>In October 2019, the company completed the lender-led restructuring of c. €80 million of existing debt and the advancement of €30 million of new super senior debt to the Bulsatcom group.</li> </ul>	<ul style="list-style-type: none"> <li>Confidential</li> </ul>

# Super Senior New Money Funding

## Case Studies (8/8)

Company	Industry	Company Overview	Situation Overview	New Money Key Terms
   October 2019	  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: £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>
   12 February 2019	  Construction	<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> </ul> <p><i>Total Debt: €2.60 billion</i></p>	<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>

# Houlihan Lokey Contacts

---

## Financial and Valuation Advisory

---



**Milko Pavlov**  
Managing Director  
London  
+44 (0) 20 7747 2788  
[MPavlov@HL.com](mailto:MPavlov@HL.com)  
[Bio](#)



**Uche Dimiri**  
Senior Vice President  
London  
+44 (0) 20 7747 2766  
[UDimiri@HL.com](mailto:UDimiri@HL.com)  
[Bio](#)

## Capital Markets

---



**Anthony Forshaw**  
Head of Capital Markets EMEA  
London  
+44 (0) 20 7747 2754  
[AForshaw@HL.com](mailto:AForshaw@HL.com)  
[Bio](#)



**Patrick Schoennagel**  
Managing Director  
London  
+44 (0) 20 7747 7568  
[PSchoennagel@HL.com](mailto:PSchoennagel@HL.com)  
[Bio](#)

## Financial Sponsors Group

---



**Ann Sharkey**  
Managing Director  
London  
+44 (0) 20 7747 2743  
[ASharkey@HL.com](mailto:ASharkey@HL.com)  
[Bio](#)

## Financial Restructuring Group

---



**Laura Kimmel**  
Director  
London  
+44 (0) 20 7747 7572  
[LKimmel@HL.com](mailto:LKimmel@HL.com)  
[Bio](#)

# Disclaimer

---

© 2021 Houlihan Lokey. All rights reserved. This material may not be reproduced in any format by any means or redistributed without the prior written consent of Houlihan Lokey.

Houlihan Lokey gathers its data from sources it considers reliable; however, it does not guarantee the accuracy or completeness of the information provided within this presentation. The material presented reflects information known to the authors at the time this presentation was written, and this information is subject to change. Houlihan Lokey makes no representations or warranties, expressed or implied, regarding the accuracy of this material. The views expressed in this material accurately reflect the personal views of the authors regarding the subject securities and issuers and do not necessarily coincide with those of Houlihan Lokey. Officers, directors, and partners in the Houlihan Lokey group of companies may have positions in the securities of the companies discussed. This presentation does not constitute advice or a recommendation, offer, or solicitation with respect to the securities of any company discussed herein, is not intended to provide information upon which to base an investment decision, and should not be construed as such. Houlihan Lokey or its affiliates may from time to time provide investment banking or related services to these companies. Like all Houlihan Lokey employees, the authors of this presentation receive compensation that is affected by overall firm profitability.

Houlihan Lokey is a trade name for Houlihan Lokey, Inc., and its subsidiaries and affiliates, which include those in (i) the United States: Houlihan Lokey Capital, Inc., an SEC-registered broker-dealer and member of FINRA ([www.finra.org](http://www.finra.org)) and SIPC ([www.sipc.org](http://www.sipc.org)) (investment banking services); Houlihan Lokey Financial Advisors, Inc. (financial advisory services); HL Finance, LLC (syndicated leveraged finance platform); and Houlihan Lokey Real Estate Group, Inc. (real estate advisory services); (ii) Europe: Houlihan Lokey EMEA, LLP, and Houlihan Lokey (Corporate Finance) Limited, authorized and regulated by the U.K. Financial Conduct Authority; Houlihan Lokey (Europe) GmbH, authorized and regulated by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht); Houlihan Lokey GmbH; Houlihan Lokey S.p.A.; Houlihan Lokey (Netherlands) B.V.; Houlihan Lokey (España), S.A.; and Houlihan Lokey (Corporate Finance), S.A.; (iii) the United Arab Emirates, Dubai International Financial Centre (Dubai): Houlihan Lokey (MEA Financial Advisory) Limited, regulated by the Dubai Financial Services Authority for the provision of advising on financial products, arranging deals in investments, and arranging credit and advising on credit to professional clients only; (iv) Singapore: Houlihan Lokey (Singapore) Private Limited, an “exempt corporate finance adviser” able to provide exempt corporate finance advisory services to accredited investors only; (v) Hong Kong SAR: Houlihan Lokey (China) Limited, licensed in Hong Kong by the Securities and Futures Commission to conduct Type 1, 4, and 6 regulated activities to professional investors only; (vi) China: Houlihan Lokey Howard & Zukin Investment Consulting (Beijing) Co., Limited (financial advisory services); (vii) Japan: Houlihan Lokey K.K. (financial advisory services); and (viii) Australia: Houlihan Lokey (Australia) Pty Limited (ABN 74 601 825 227), a company incorporated in Australia and licensed by the [Australian Securities and Investments Commission](http://www.asic.gov.au) (AFSL number 474953) in respect of financial services provided to wholesale clients only. In the European Economic Area (EEA), Dubai, Singapore, Hong Kong, and Australia, this communication is directed to intended recipients, including actual or potential professional clients (EEA and Dubai), accredited investors (Singapore), professional investors (Hong Kong), and wholesale clients (Australia), respectively. Other persons, such as retail clients, are NOT the intended recipients of our communications or services and should not act upon this communication.

