



European Super Senior New Money Study

FEBRUARY 2021



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

Corporate Finance

2020 M&A Advisory Rankings All U.S. Transactions		
	Advisor	Deals
1	Houlihan Lokey	210
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 10 Global M&A Advisor

Leading Capital Markets Advisor

Financial Restructuring

2020 Global Distressed Debt & Bankruptcy Restructuring Rankings		
	Advisor	Deals
1	Houlihan Lokey	106
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

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

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

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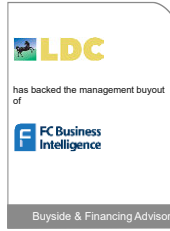
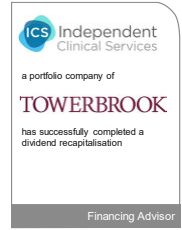
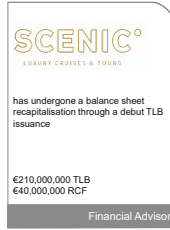
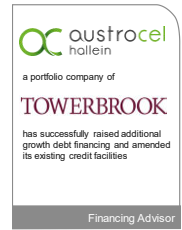
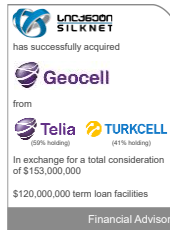
No. 1 Global M&A Fairness Opinion Advisor Over the Past 20 Years

1,000+ Annual Valuation Engagements



Capital Markets

Capital Markets engagements can typically be segmented into four types of expertise.

	Typical role	Typical fee structure	The Houlihan Lokey difference	Recent Houlihan Lokey deals
<p>1</p> <p>Competing bulge bracket banks for large-cap financings</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>2</p> <p>Light touch / process management</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>3</p> <p>Opportunistic refinancings</p>	<p>Usually commissioned specifically 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&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 thus are able to deliver market-leading terms</i></p>	 
<p>4</p> <p>Liability management / special situations</p>	<p>1 and 3, but also require 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 it 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>	 

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

Super Senior New Money Funding

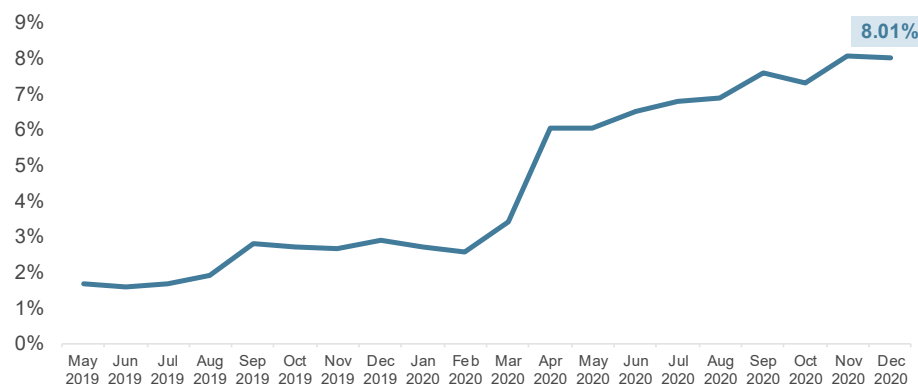
Market Overview

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. 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.

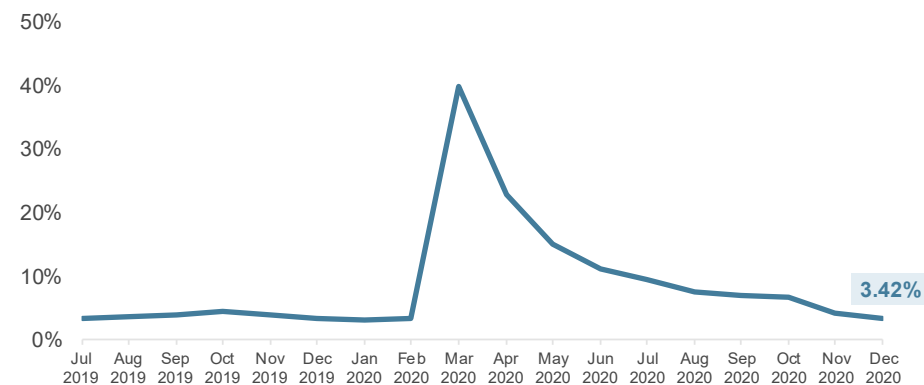
Overview

- 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 means 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 Q3 and Q4 2020.
- However, given positive pricing sentiment in Q4 2020 and the news regarding a successful development of a vaccine, the ELLI distress ratio reduced from the high observed in March of 39.8% to 3.42% in December, in line with the levels seen until February (3.36%).

Share of ELLI Loans Rated CCC+ or Lower⁽¹⁾



ELLI Distress Ratio⁽²⁾



(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.

Super Senior New Money Funding

Summary

Activity increased in super senior new money funding across Europe with 15 borrowers, raising c. €1.6 billion between February 2019 and December 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	
PizzaExpress	Hospitality	November 2020	UK	GBP	1,192.5	n.a.	Super Senior	144	Working Capital	750bps cash or 900bps PIK	4.5 years	12.1%	- 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	1,324.0	Notes	Super Senior	110	Liquidity	n.a.	n.a.	8.3%	- An initial €35 million tranche will be issued upon successful consent of the lock-up 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 [3]	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	Liquidity	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	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) €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	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
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 £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 [4]	3 Years	2.9%	- The company issued the Notes in order to pursue business continuity and to support the operation of the work orders
Low										700bps	0.5 Years		
Mean										1,064bps	3.1 Years		
Median										1,000bps	3.0 Years		
High										1,625bps	4.5 Years		

Sources: Debtwire, BeBeez, Public Filings.

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

Q4 2020 Super Senior New Money Funding







Super Senior New Money Funding

Case Studies (1/3)

Company	Industry	Company Overview	Situation Overview	New Money Key Terms
  <i>7 November 2020</i>	 <i>Hospitality</i>	<ul style="list-style-type: none">• PizzaExpress Limited owns and operates pizza restaurants.• 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. <ul style="list-style-type: none">• <i>Total Debt: £1.19 billion</i>	<ul style="list-style-type: none">• In November 2020, Pizza Express completed the restructuring process, which was sanctioned on 29 October 2020.• The restructuring plan mainly involves (i) a de-leveraging 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.• PizzaExpress utilised c. £40 million of the new money funding at completion.• The super senior facility put in place in April 2020 is not subject to the restructuring plan.	<ul style="list-style-type: none">• Size: £144 million• Cash Interest: 750 bps• PIK Toggle: 1.50% premium, for the first 24 months• Maturity: 4.5 years• Ranking: Super senior







Super Senior New Money Funding

Case Studies (2/3)

Company	Industry	Company Overview	Situation Overview	New Money Key Terms
  27 October 2020	 Media	<ul style="list-style-type: none"> Prisa is a listed Spain-based education and media group that engages in the exploitation of printed and audiovisual media in Spain and internationally. 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. Total Debt: €1.32 billion 	<ul style="list-style-type: none"> On 19 October, Prisa announced its agreement with 80% of its debtholders to consider amendments to its term loans, for which it has entered into a lock-up agreement. 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. An initial €35 million tranche will be issued upon successful consent of the lock-up agreement. The additional €75 million of new money would only be issued subject to delivery of certain conditions. 	<ul style="list-style-type: none"> Size: €110 million NA
  22 October 2020	 Retail	<ul style="list-style-type: none"> Intu Metrocentre Finance is a £485 million commercial mortgage-backed security backed by Intu Metrocentre, a Gateshead shopping centre and entertainment complex. Intu Metrocentre is located on the former site of Dunston Power Station, near to the River Tyne, UK. Opened in 1986, Intu Metrocentre has more than 270 shops occupying more than 190,000 square meters of retail floor space. Total Debt: £485.0 million 	<ul style="list-style-type: none"> Intu Metrocentre is to receive a £25 million super senior new money injection as part of a temporary restructuring. 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. The Metrocentre proposals involve various amendments facilitate Sovereign (Land) Management and Savills (UK) taking over as property administrators. 	<ul style="list-style-type: none"> Size: £25 million PIK Interest: SONIA + 1,100 bps SONIA Floor: nil Interest Period: Semi-annual OID: 3.00% Maturity: 6 December 2023 Prepayment protections <ul style="list-style-type: none"> 18-month non-call period Make-whole amount if mandatorily called during non-call period Jurisdiction: English law

Super Senior New Money Funding







Case Studies (3/3)

Company	Industry	Company Overview	Situation Overview	New Money Key Terms
 BOARDRIDERS. 	 Retail	<ul style="list-style-type: none"> Boardriders, Inc., designs, develops, and distributes branded apparel, footwear, accessories, and related products primarily for men, women, and children. 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. <i>Total Debt: n.a.</i> 	<ul style="list-style-type: none"> 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. 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. 	<ul style="list-style-type: none"> Confidential
 	 Air Transport	<ul style="list-style-type: none"> Virgin Atlantic is a British airline and holiday business. 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. <i>Total Debt: £2.56 billion</i> 	<ul style="list-style-type: none"> 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. 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. 	<ul style="list-style-type: none"> Confidential

Q1 2019–Q3 2020 Super Senior New Money Funding





Super Senior New Money Funding

Case Studies (1/5)

Company	Industry	Company Overview	Situation Overview	New Money Key Terms
  31 August 2020	 Transport	<ul style="list-style-type: none"> 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. 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. <p><i>Total Debt: €2.11 billion</i></p>	<ul style="list-style-type: none"> 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. Under the terms of this Lock-Up Agreement, Swissport will launch an M&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. The super-senior facility provides liquidity to trade through the COVID-19 pandemic and to facilitate the restructuring process. 	<ul style="list-style-type: none"> Size: €300 million Cash Margin: E + 100 bps PIK Margin: E + 900 bps Structuring Fee: 1.5% Exit Fee: 5.5% Backstop Consideration Fee: 2.5% Maturity: Four months, unless extended to six months Ranking: Super senior
  13 July 2020	 Gaming	<ul style="list-style-type: none"> Codere S.A. engages in the private gaming business. The company operates amusement and gaming machines, bookmakers, bingo halls, casinos, and racetracks. As of 2018, the company managed 57,130 gaming machines, 148 gaming halls, 7,659 betting locations, four racetracks, and online gaming platforms. <p><i>Total Debt: €897.4 million</i></p>	<ul style="list-style-type: none"> On 28 April 2020, the company announced it was looking to raise €100 million in emergency liquidity. As of 19 May 2020, Codere was in talks with Pimco and The Carlyle Group for an urgently needed €100 million liquidity line. On 13 July 2020, Codere confirmed it has reached an agreement for a refinancing transaction, which includes: <ol style="list-style-type: none"> I. €85 million to provide liquidity to support operations pending the closing of the transaction II. €165 million to refinance Codere's existing RCF and provide further liquidity 	<ul style="list-style-type: none"> Size: €250 million Margin: 1,000 bps⁽¹⁾ Maturity: September 2023 Ranking: Super senior Amendments to the terms of the existing notes include: <ol style="list-style-type: none"> I. An extension of maturities to 1 November 2023 II. Increased interest rates

Super Senior New Money Funding

Case Studies (2/5)







Company	Industry	Company Overview	Situation Overview	New Money Key Terms
<p>MATALAN</p> 		<ul style="list-style-type: none"> Matalan engages in the retail of clothing and homeware products in the United Kingdom. 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. <i>Total Debt: £476.3 million</i> 	<ul style="list-style-type: none"> On 27 April 2020, Matalan announced that it was assessing a number of alternative options to raise additional funding. 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. On 8 July 2020, Matalan announced that it has secured £50 million of new money from creditors. The capital consists of: <ul style="list-style-type: none"> I. £25 million RCF from the UK government's Coronavirus Large Business Interruption Loan Scheme (CLBILS) II. £25 million of super senior bonds only ranked below the revolving credit facility 	<ul style="list-style-type: none"> Size: €25 million (plus £25 million RCF from the CLBILS) Cash Margin: 1,625 bps Maturity: n.a. Ranking: Super senior
<p>8 July 2020</p>	<p>Retail</p>	<ul style="list-style-type: none"> Officine Maccaferri S.p.A. provides engineered solutions to the civil engineering, geotechnical, and environmental construction markets. The company produces a wide range of geosynthetics, including geogrids and geocomposites, and is the leader in the manufacturing of gabions. <i>Total Debt: €289.7 million⁽¹⁾</i> 	<ul style="list-style-type: none"> 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. On 20 May 2020, the board of directors approved the application for concordato con riserva. 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. 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. 	<ul style="list-style-type: none"> Size: €40 million Cash Margin: 650 bps PIK Margin: 650 bps Maturity: Four years Ranking: Super senior €30 million may be converted at any time into Officine Maccaferri shares, equal to 83% of the capital of the post-restructuring company.
<p>MACCAFERRI</p> 		<p>20 May 2020</p>	<p>Civil Engineering</p>	

Sources: Debtwire, public filings, companies' websites, BeBeez, public domain.

(1) Net debt as of 30 June 2019.







Super Senior New Money Funding

Case Studies (3/5)

Company	Industry	Company Overview	Situation Overview	New Money Key Terms
  <p>16 March 2020</p>	 <p>Hospitality</p>	<ul style="list-style-type: none"> PizzaExpress Limited owns and operates pizza restaurants. 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. <i>Total Debt: £1.19 billion</i> 	<ul style="list-style-type: none"> On 13 January 2020, PizzaExpress entered into a £10 million super senior loan agreement with Hony Capital to fund working capital requirements. 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. 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. 	<ul style="list-style-type: none"> Size: £70 million Cash Margin: L + 675 bps Libor Floor: 75 bps Maturity: Three years Ranking: Super senior OID: 2.5% 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.
  <p>February 2020</p>	 <p>Support Services</p>	<ul style="list-style-type: none"> Interserve PLC is a global support services and construction sector company. Interserve derives the majority of its operating profits from support services in the United Kingdom through government or municipal contracts. It serves clients in four core business lines: Support Services, Construction UK, Construction International, and Equipment Services (RMDK). <i>Total Debt: £285.0 million</i> 	<ul style="list-style-type: none"> 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. 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. 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. 	<ul style="list-style-type: none"> Confidential







Super Senior New Money Funding

Case Studies (4/5)

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"> Addison Lee Limited is a private hire services company. The company primarily provides premium car transportation services. In addition, Addison Lee offers courier services and national and international delivery. The company primarily operates in the UK; however, its services are available in more than 90 countries. <i>Total Debt: £136.0 million</i> 	<ul style="list-style-type: none"> 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. 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. In 2019, the company initiated two sale processes, both unsuccessful. 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. 	<ul style="list-style-type: none"> Size: £36 million Cash Margin: L + 1,000 bps Maturity: Three years Ranking: Super senior Commitment Fee: 3.5% Carries optional and mandatory cash sweep clauses
  October 2019	 Telecom	<ul style="list-style-type: none"> Bulsatcom was the first direct-to-home (DTH) operator in Bulgaria and is currently the No. 1 pay-TV operator in the country. Bulsatcom entered the broadband market in 2010 through acquisitions, and it is currently the No. 3 broadband operator in Bulgaria. Bulsatcom operates an industry-standard DTH and IPTV distribution infrastructure and fibre broadband network. <i>Total Debt: c. €72 million</i> 	<ul style="list-style-type: none"> In 2015, the company bought a geostationary communications satellite, Bulgaria Sat, borrowing €85 million from an international banking syndicate. However, due to the 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. 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. 	<ul style="list-style-type: none"> Confidential

Super Senior New Money Funding

Case Studies (5/5)

Company	Industry	Company Overview	Situation Overview	New Money Key Terms
  October 2019	 Support Services	<ul style="list-style-type: none"> Interserve PLC is a global support services and construction sector company. Interserve derives the majority of its operating profits from support services in the United Kingdom through government or municipal contracts. It serves clients in four core business lines: Support Services, Construction UK, Construction International, and Equipment Services (RMDK). <p><i>Total Debt: £160.0 million</i></p>	<ul style="list-style-type: none"> 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. 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 In October 2019, the lenders provided a £39 million credit line to fund the company's operations. 	<ul style="list-style-type: none"> Confidential
  12 February 2019	 Construction	<ul style="list-style-type: none"> 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. 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. <p><i>Total Debt: €2.60 billion</i></p>	<ul style="list-style-type: none"> On 16 January 2019, the Court of Rome authorised Astaldi to incur super-senior indebtedness as a matter of urgency. On 12 February 2019, the company announced that Fortress Credit Corporation provided €75.0 million funding in the form of super senior notes. The loan was necessary to cover urgent financial requirements for corporate business operations. 	<ul style="list-style-type: none"> Size: €75 million Cash Margin: E + 475 bps PIK Margin: (i) First year, 650 bps; (ii) 950 bps thereafter Euribor Floor: 100 bps Maturity: Three years Ranking: Super senior

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