

DATE

March 31, 2021

SECTORS

Infrastructure

DEAL TYPE

Debt Advisory & Restructuring

DEAL LOCATIONS



DEAL TEAM



Daniel Gebler

Managing Director



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Managing Director



DC Advisory advises 3SIIF on the financing of Cargounit

Background

- The Three Seas Initiative Investment Fund (3SIIF), is a dedicated commercial fund targeting essential infrastructure investments in the Three Seas region, that:
 - Targets investments that improve connectivity and cooperation,
 - Accelerates economic development by expanding state-of-the-art infrastructure; and
 - Supports supply-critical long-term assets
- Amber - a specialist international infrastructure investment manager, was appointed in February 2020 as the exclusive investment adviser to 3SIIF
- Cargounit is a leading Polish rolling stock leasing company, with more than 175 locomotives and c. 36% market share in Poland, and was previously owned by Abris Capital Partners (Abris), a leading CEE private equity firm
- 3SIIF acquired Cargounit in October 2020 with DC Advisory (DC) acting as M&A advisor
- Cargounit was financed by three incumbent banks. These facilities had to be refinanced and further debt was sought to support the growth of the business

Process

- Cargounit engaged DC Advisory to act as exclusive debt advisor across all aspects of the envisaged financing
- DC orchestrated a competitive multi-layered financing process involving incumbent lenders, as well as numerous international, supranational and local Polish banks with substantial experience in the rail sector
- DC supported Cargounit throughout the financing process by advising across work streams such as:
 - Process strategy and negotiation tactics
 - Negotiating with incumbent banks
 - Refinancing existing debt and raising capex facility commitments to facilitate acquisitions of locomotives
 - Financial modelling
 - Coordination of lender due diligence
 - Advice on transaction documentation including SFA, ICA and hedging agreement

Outcome

- DC ensured all work streams were successfully completed during a complex process
- DC secured financing commitments from seven leading international and local Polish banks resulting in 40% oversubscription to the initial financing ask
- DC delivered Cargounit's key objective to secure a highly attractive financing package allowing Cargounit to pursue its growth objectives, comprising:
 - A term loan to refinance the existing debt and pay transaction costs
 - A committed capex facility to grow the business
 - A working capital facility to fund modernisations and operational needs
 - An uncommitted facility significantly enlarging the size of the committed capex facility is documented
- This transaction substantiates DC's strong expertise in the Polish and European infrastructure sector