

DATE

July 24, 2020

SECTORS

Consumer, Leisure & Retail

DEAL TYPE

Debt Advisory & Restructuring

DEAL LOCATIONS



DEAL TEAM



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Co-Head of Italy



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Director

DC Advisory advised Feltrinelli Group on a state-guaranteed financing



Background

- Founded in 1955, Feltrinelli Group (Feltrinelli) is among the most relevant publishing houses in Europe, and the Italian retail bookstore leader, with ~120 shops and 2,000 employees
- Feltrinelli has been very active in recent years in consolidating the market, having created the first and largest e-commerce platform for editorial products in Italy (IBS) and, more recently, strengthening its focus on content through the acquisition of a majority stake in Marsilio Editori
- In March 2020, due to the lockdown measures imposed by the Italian Government, Feltrinelli was forced to suspend all its retail activities for a period of two months
- As a result, a financing was needed to sustain the increased working capital requirements during this period

Process

- DC Advisory (DC) was mandated in March 2020 as exclusive financial advisor to support Feltrinelli in raising a new state-guaranteed term loan, aimed at bringing fresh resources into the business, as well as obtaining an amendment on the existing debt facilities to create maximum flexibility
- Incumbent and new senior lenders showed interest in sustaining Feltrinelli, and DC

managed a tight process to secure the new debt package at the most attractive terms and conditions, and in a timely manner

- Based on a deep understanding of Feltrinelli, our role included:
 - Assisting on financial modelling, including business plan with Covid-19 sensitivities, preparation of discussion materials and due diligence coordination
 - Managing the process with the lenders and supporting Feltrinelli in navigating the necessary steps required to obtain the state guarantee
 - Term sheet and SFA negotiation with the lenders

Outcome

- In July 2020, Feltrinelli successfully obtained a comprehensive state-guaranteed financing package and was granted a maturity extension on the existing debt facilities, as well as a covenant reset in order to increase flexibility over the business plan
- Funds totalling €44,2 million were provided by a pool of relationship Italian banks, including Intesa Sanpaolo, BNL, Unicredit, Banco BPM and Creval
- The use of proceeds will be as follows:
 - To face the increased working capital needs as a result of the Covid-19 lockdown measures; and
 - To promote further development projects for the expansion, diversification and technological innovation of Feltrinelli's sales network