



Debt Market Monitor Q1 2019

May 2019

Recent European debt advisory transactions

Project Façade Advisor to the company on refinancing Value not disclosed April 2019 	 Advisor to the company on debt raising Value not disclosed March 2019 	 Advisor to largest shareholder £900m March 2019 	 Advisor on staple financing Value not disclosed March 2019 	 Advisor to sponsor on acquisition financing Value not disclosed February 2019 	 Advisor to the company and sponsor on add-on acquisition financing Value not disclosed January 2019 	Project River Advisor to the company on debt raising Value not disclosed January 2019 
Chambers AND PARTNERS Advisor to the company on refinancing Value not disclosed January 2019 	Project Pint Advisor to the company on debt raising Value not disclosed January 2019 	Project Eclipse Advisor to family office on refinancing £60m December 2018 	 Advisor on staple financing Value not disclosed December 2018 	 Advisor to the company on refinancing €360m November 2018 	 Advisor to the shareholders and the company on its sale process and lender education Value not disclosed September 2018 	Project Siri Advisor to the company on refinancing £146m August 2018 
 Advisor to sponsor on acquisition financing Value not disclosed August 2018 	 Advisor to the company on refinancing and recapitalisation Value not disclosed August 2018 	 Advisor to the company on refinancing Value not disclosed July 2018 	 Advisor to HQ Equita on the acquisition financing of r2p and Open Access Value not disclosed July 2018 	 Advisor to Evernex on refinancing Value not disclosed July 2018 	Project Broadleaf Advisor to sponsor on acquisition financing Value not disclosed July 2018 	Project Harrow Advisor to sponsor on acquisition financing £80m July 2018 
PORTMAN dental care Advisor to sponsor on acquisition financing Value not disclosed June 2018 	Project White Advisor to the company on amendment and refinancing Value not disclosed May 2018 	 Advisor on the acquisition financing of Neoxam Value not disclosed May 2018 	 Advisor to the sponsor on amendment €160m April 2018 	 Advisor to the sponsor on acquisition facilities €125m April 2018 	 Advisor to the sponsor on acquisition facilities Value not disclosed April 2018 	 Advisor to the company on refinancing Value not disclosed April 2018 
 Advisor to Summit Partners on acquisition financing Value not disclosed March 2018 	 Advisor to Eurazeo Patrimoine on acquisition financing of Groupe C2S Value not disclosed March 2018 	 Advisor to Qualium on acquisition financing of Labelium Value not disclosed February 2018 	 Advisor to the company on refinancing Value not disclosed February 2018 	 Advisor to the shareholders and the company on its sale process and lender education Value not disclosed January 2018 	 Advisor to Ardian on acquisition financing of Competence Call Center Value not disclosed January 2018 	 Advisor to Perusa on acquisition financing of Schroth Safety Products Value not disclosed January 2018 

Q1 2019 – Executive summary

European mid-market activity has rebounded following a slow start to the year

Highlights Europe

- Throughout 2019, political and economic uncertainty across Europe has prevailed. With a building consensus that the market is near the top of the cycle, lenders are managing portfolios accordingly - with a strong emphasis on downside risks. Subsequently, we have seen a flight to quality with strong proven credits in performing sectors (e.g. Infrastructure, Industrials, Technology & Software) continuing to secure borrower friendly terms, while credits in challenged sectors are facing challenging market reception
- Liquidity remains strong, with numerous direct credit providers closing funds in Q1 which, while a proportion has already been successfully committed, a lot of dry power is yet to be deployed
- Given underlying M&A was muted in Q1, the refinancing / recapitalisation activity was strong as sponsors, future proof portfolios or, possibly with an eye on future fund raising, use debt to deliver returns to investors in lieu of a full exit. In this scenario, portability clauses are a must for borrowers and sponsors and accepted by lenders who view it as an opportunity to extend average hold period
- Given YTD volumes, and extent the of CLO warehousing / ramping of managing accounts, we expect to see some opportunistic refinancings and repricings, if current market conditions hold
- The DC Advisory Capital Advisory team continue to be very busy on the refinancing front, enabling borrowers to take advantage of benign market conditions and to lock in advantageous terms

Highlights – UK

- Leveraged loan volumes rebounded slightly in Q1 2019 with a strong performance in February and March
- However, deal pipeline continues to be impacted by prolonged Brexit uncertainty

Highlights – Spain

- Spanish leveraged loan volumes recovered in Q1 2019 (13 deals vs 6 in Q4 2018), primarily driven by an increase in M&A activity in the market
- Mid-market transactions continue to be dominated by local banks (e.g. Frías Nutrición, Litalisa) despite an increased presence of direct lenders

Highlights – DACH

- The leveraged loan market slowed in January and February, however activity recovered slightly in March with a number of auctions coming to market
- Financing terms continue to be competitive on both all-senior and unitranche debt as lenders chase limited supply. Alternative lenders maintain a sizeable market share.

Highlights – France

- Despite low volumes in January, the French market remained active
- Q1 2019 volumes have been primarily driven by M&A activity (Comexposium, Hana Group, Stella, Proxiserve, INSEEC) and to a lesser extent, refinancings and add-ons (DomusVi, Colisée, Ceva)

DC Advisory's European Capital Advisory team explores the activity for Q1 2019 >

Debt Market Monitor Q1 2019: UK

Multi-banked LBOs and refinancings completed Q1 2019

	Target	Sponsor	Lender																								Nature of deal																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																		
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Notes: The UK Debt Market Monitor shows senior and subordinated debt providers for bilateral and multi-banked loan-funded LBO / refinancings involving a UK target.

- denotes a LBO
- denotes a refinancing
- /○* denotes lender is solely the provider of super senior undrawn or term debt ('1st out') facilities alongside a debt fund

CL: Club deal; UW: Underwrite; Hybrid: Hybrid facility; Uni: Unitranche; Mezz: Mezzanine; PIK: PIK note; 1 O / 2 O: First out, second out; 1L / 2L: First Lien, Second Lien

Multi-banked LBOs and refinancings completed Q1 2019

[illegible]

Notes: The French Debt Market Monitor shows senior and subordinated debt providers for bilateral and multi-banked loan-funded LBO / refinancings involving a French target.

- denotes a LBO
- denotes a refinancing
- /○* denotes lender is solely the provider of undrawn facilities in a unitranche transaction

CL: Club deal; UW: Underwrite; Hybrid: Hybrid facility; Uni: Unitranche; Mezz: Mezzanine; PIK: PIK note; 1 O / 2 O: First out, second out

Multi-banked LBOs and refinancings completed Q1 2019

[illegible]

Notes: The DACH Debt Market Monitor shows senior and subordinated debt providers for bilateral and multi-banked loan-funded LBO / refinancings involving a DACH target.

- denotes a LBO
- denotes a refinancing
- /○* denotes lender is solely the provider of undrawn facilities in a unitranche transaction

CL: Club deal; UW: Underwrite; Hybrid: Hybrid facility; Uni: Unitranche; Mezz: Mezzanine; PIK: PIK note; 1 O / 2 O: First out, second out

Debt Market Monitor Q1 2019: Spain

Multi-banked LBOs and refinancings completed Q1 2019

		Target	Sponsor	Santander	CaixaBank	BBVA	Bankia	Bankinter	ING	Sabadell	Deutsche Bank	BNP Paribas	Crédit Agricole	Banca March	HSBC	Caja Rural de Navarra	Barclays	Rabobank	Société Générale	UniCredit	Bank of Ireland	Cajamar	JP Morgan	HSH Nordbank	Targo Bank	Bank of America ML	First Abu Dhabi Bank	Mitsubishi UFJ	Banca IMI	Kuixabank	Citigroup	Mizuho	Morgan Stanley	EBN	Credit Industriel et Commercial	Caja de Arquitectos	Banco Pichincha	Ibercaja	Natixis	Credicoop	Unicaja	SumitomoMitsui	DNB ASA	Credit Suisse	UBS	Jefferies	Alantra (Alitalia)	Oquendo	Tikehau	Muzinich	Pemberton	ICG	Cheyne Capital	LGT	Kartesia	CVC	Capzantine	Nature of deal																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
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Notes: The Spanish Debt Market Monitor shows senior and subordinated debt providers for bilateral and multi-banked loan-funded LBO / refinancings involving a Spanish target

- denotes a LBO
- denotes a refinancing
- CL: Club deal; UW: Underwrite; Hybrid: Hybrid facility; Uni: Unitranche; Mezz: Mezzanine; PIK: PIK note; 1 O / 2 O: First out, second out
- 1) Mubadala has sold a 30% - 40% stake, remaining as a majority shareholder. Transaction to be closed by 2019 year end

Multi-banked LBOs and refinancings completed Q1 2019

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Notes: The Benelux Debt Market Monitor shows senior and subordinated debt providers for bilateral and multi-banked loan-funded LBO / refinancings involving a Benelux target.

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