

DATE

December 18, 2019

SECTORS

Infrastructure

DEAL LOCATIONS



DEAL TEAM



Neale Marvin

Managing Director



Grégory Roquier

Managing Director



Simon Casey

Director



Background

- Ermewa Group, is one of the leading providers of railcar and tank container leasing across Europe (railcars) and globally (tank containers). Ermewa Group also offers assimilated railcar construction, refurbishment maintenance and repair services through a dedicated network of workshops in France
- The group focuses on three core pillars:
 - The railcars division: with approximately 42,000 managed railcars, it is the second largest railcar lessor in Europe
 - The tank containers division: with approximately 59,000 managed tank containers, it is the joint global leader in the industry
 - The workshop division: with six workshops strategically located across France, the group is the undisputed leader in the French market

Process

- DC Advisory (DC) was engaged by Ermewa Group as the sole financial advisor to implement an investment grade long-term financing platform, to provide Ermewa with the ability to deliver its business plan
- DC facilitated a comprehensive refinancing process, engaging various sources of liquidity in order to address a number of key objectives:
 - Develop a long-term, permanent corporate capital structure, incorporating both long-dated PP and bank bullet facilities in EUR and US Dollars
 - Increased operational flexibility, with a steady-state corporate structure and improved

documentation, befitting a global investment-grade company

- Establish significant revolving capex and working capital facilities to support continued growth and investment
- As part of the process, the DC team delivered a number of detailed work streams, including:
 - Key marketing materials (management presentations, IMs and RFPs)
 - Business planning
 - Due diligence
 - Financial modelling and sensitivity analysis
 - Debt structuring
 - Full documentation negotiations

Outcome

- DC delivered a highly competitive refinancing package, the primary features included:
 - A multi-creditor corporate platform, incorporating both bank and institutional lenders
 - A significantly extended and diversified bullet maturity profile, with maturities of seven, 10, 12 and 15 year tenors in both EUR and US Dollars
 - Significant covenant and operational flexibility to support business growth and its rejuvenation strategy
 - Green accreditation, independently verified by Sustainalytics and a Climate Bond Certification for the facilities
 - A reduction in the overall cost of debt, despite a longer average tenor
 - A fully portable debt package