

DATE

October 30, 2020

SECTORS

Infrastructure

DEAL TYPE

Debt Advisory & Restructuring

DEAL LOCATIONS



DEAL TEAM



Phillip Hyman
Managing Director



Sam Hodgson
Director

DC Advisory advised VTTI on its corporate refinancing and new revolving credit facility



Background

- VTTI owns and operates a global portfolio of energy and other essential products storage assets (10.2m cbm capacity) across 17 terminals in 15 countries, including a presence in key storage hubs of ARA, Fujairah and Greater Singapore
- VTTI was founded in 2006 by Vitol as an independent storage assets company and is currently owned by Vitol Group, IFM, and ADNOC
- VTTI has been run as a standalone company since inception under a stable and experienced management team and it is now one of the largest independent energy storage providers in the world
- The objective for VTTI was to enhance their capital structure to support their growth ambitions

Process

- DC Advisory (DC) acted as financial advisor and undertook a staged approach to the process including:
 - A MidCo revolving credit facility entered into late 2019, provided by a group of international banks
 - A full ratings process to support a flexible financing platform
 - Finally, DC worked with VTTI to secure a multi-creditor common terms agreement platform, the first of its kind for a storage company
- DC delivered a number of detailed work streams including key marketing materials and assisted with documentation negotiations

Outcome

- DC delivered this highly competitive financing package, the primary features of which were:
 - Investment grade ratings from a number of credit rating agencies, the first for the liquid bulk storage sector
 - A new, secured, multi-creditor platform at MidCo level incorporating both banks and institutional lenders
 - A new OpCo revolving credit facility and delayed draw private placement
 - A new MidCo revolving credit facility and a MidCo private placement which is partially drawn day one and partially delay drawn
 - Facilities with a staggered maturity profile reducing refinancing risk
- The outcome is a flexible financing package with competitive terms that will help to facilitate VTTI's growth ambitions. All of which is designed to help them to capitalise on consolidation opportunities in the energy and other essential products storage markets

“This transaction marks a significant step for our company, thanks especially to DC Advisory. The capital structure that has been implemented provides VTTI more flexibility and reduces future financing risk as VTTI continues on its growth trajectory. The support from the banks and institutional lenders has been tremendous and we are very grateful to have long term partnerships with all of them.”

Hans van Geloven, VTTI CFO