

## Transaction Highlights Q3 2018

Quarterly compilation of syndicated loan and debt capital market transactions in the Netherlands

## Summary of key market observations

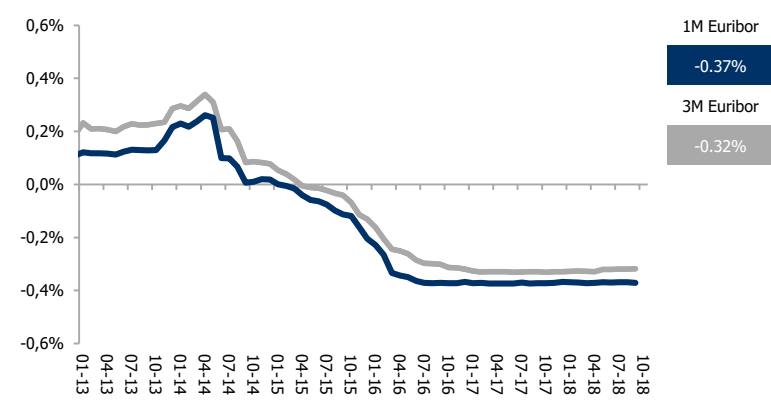
	Commentary
Benchmark yields and credit spreads	<ul style="list-style-type: none"> <li>▪ Yields on US, Dutch and German 10Y bonds all increased during Q3 2018.</li> <li>▪ Dutch and German bonds could still be considered to be “range trading” at the same level since January 2017 while US yields are on the rise.               <ul style="list-style-type: none"> <li>▪ US 10Y bonds currently yield at 3.06 and are now at an all-time high since Q2 2011.</li> </ul> </li> </ul>
Syndicated loan market	<ul style="list-style-type: none"> <li>▪ Total number of deals in the Dutch syndicated loan market more than halved with only 14 deals in Q3 2018.</li> <li>▪ Total transaction volume decreased even more noticeably, explained by the relatively large portion of &lt;250m deals. This results in an all-time transaction volume low since Q3 2013.</li> </ul>
Debt capital market	<ul style="list-style-type: none"> <li>▪ Despite the relatively quiet quarter, 2018 is still going to be a more active year than 2017 as the 2018 YTD total number of transactions of 40 already exceeds the number of 34 transactions in 2017.</li> <li>▪ In contrast to 2017, the majority of Q3 debt capital market deals in the Dutch market were issued by non-rated companies, in line with the first half of 2018.</li> </ul>
NL league tables	<ul style="list-style-type: none"> <li>▪ Deutsche Bank leads the Dutch syndicated loan market with a market share of 8.9%. Notable is the difference of 2.6% with runner-up BNP Paribas.               <ul style="list-style-type: none"> <li>▪ Rabobank is the first Dutch bank, ranking 7th with a total volume of EUR 2.3bn.</li> </ul> </li> <li>▪ Deutsche Bank also ranks first in the DCM league table with a market share of 9.5%, followed by ING (8.9%) and Credit Suisse (8.2%). Notable is that this top 3 already exceeded the total number of deals they executed in 2017.</li> </ul>

# Benchmark yields and credit spreads

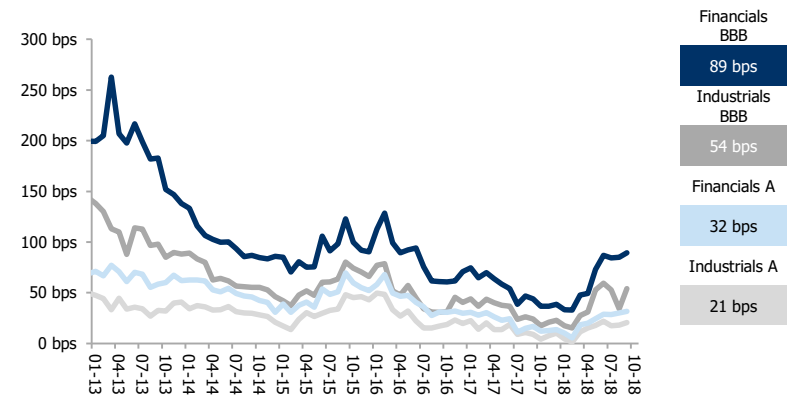
## Key highlights

- Credit spreads in general continued their increase albeit more modestly than in the first two quarters of the year.
- BBB-rated Industrials showed most volatility during Q3, with a spread increase from 30 bps to 54 bps during September.
- Yields on US, Dutch and German 10Y bonds all increased during Q3 2018.
  - US 10Y bonds currently yield 3.06%, surpassing the previous high of Q3 2013 (3.03%) and are now at an all-time high since Q2 2011.
  - Dutch and German bonds could still be considered to be "range trading" at the same level since January 2017 while US yields, as mentioned above, are clearly on the rise.

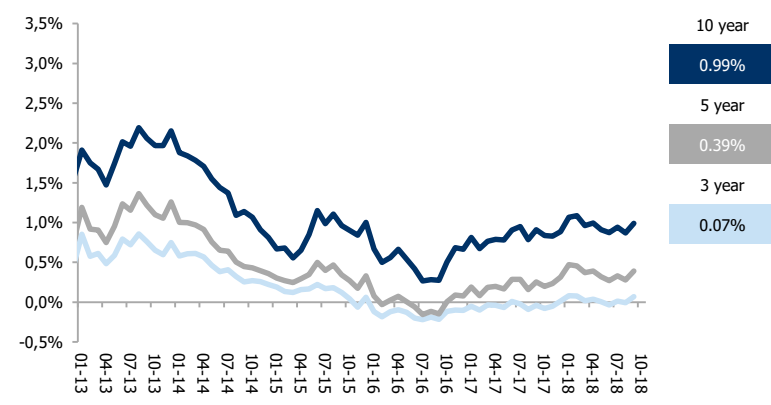
**Development 1-month versus 3-month Euribor**



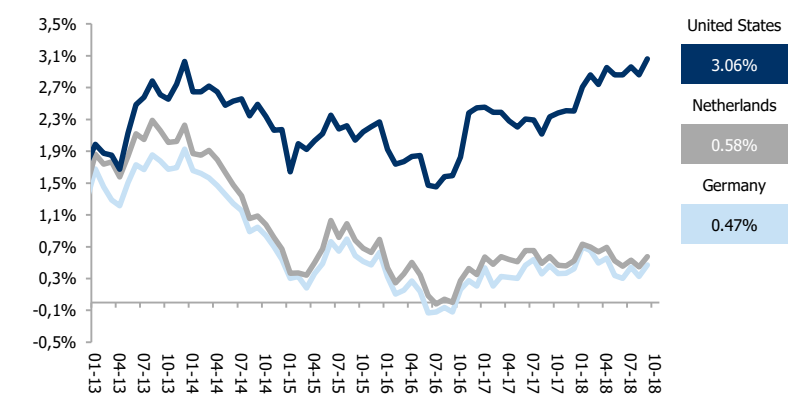
**European Industrials and Financials 5-year credit spreads**



**Development of 3, 5 and 10-year swap rates**



**Yield development 10-year sovereign bonds**



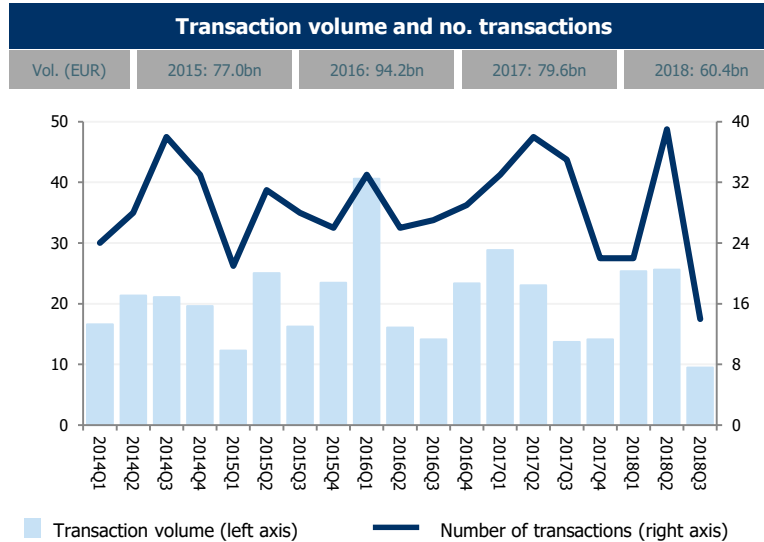
Source: Bloomberg (all data until 1 October 2018)  
The European Industrials and Financials Bloomberg indices are populated with noted EUR currency denominated fixed-rated bonds. Spreads are above 5yr EUR swap rate

# Syndicated loan market in the Netherlands and the Eurozone

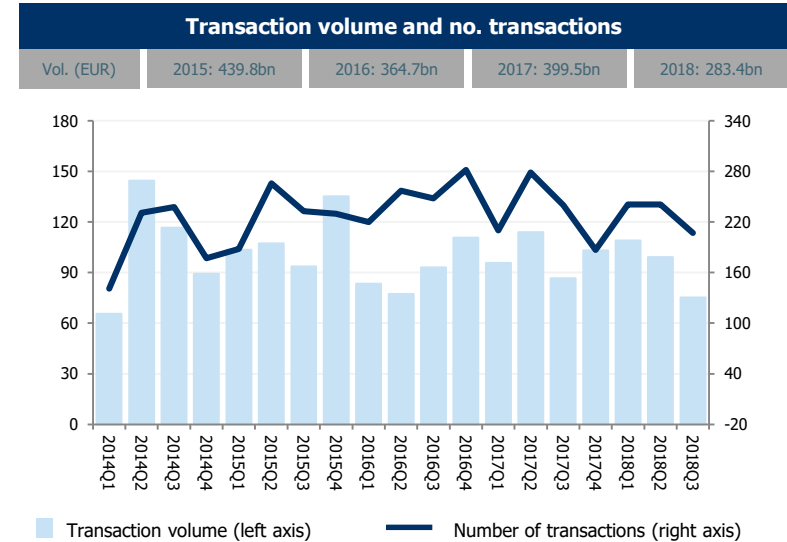
## Key highlights

- Total number of deals in the Dutch syndicated loan market more than halved with only 14 deals in Q3 2018.
  - Total number of deals in Q2 2018 increased from 29 to 39 deals compared to the earlier publication by a result of late recorded deals.
- In addition to the decreased total number of deals, total transaction volume decreased even stronger from EUR 25.6bn to EUR 9.5bn, explained by the relatively large portion of <250m deals. This results in an all-time transaction volume low since Q3 2013.
- In line with the Dutch market, total number of transactions and total transaction volume in the Eurozone syndicated loan market decreased, but overall less steep. Yet, resulting in an all-time low since Q1 2014 of total volume.
  - Number of deals >1.000m at all-time low with 14 deals.

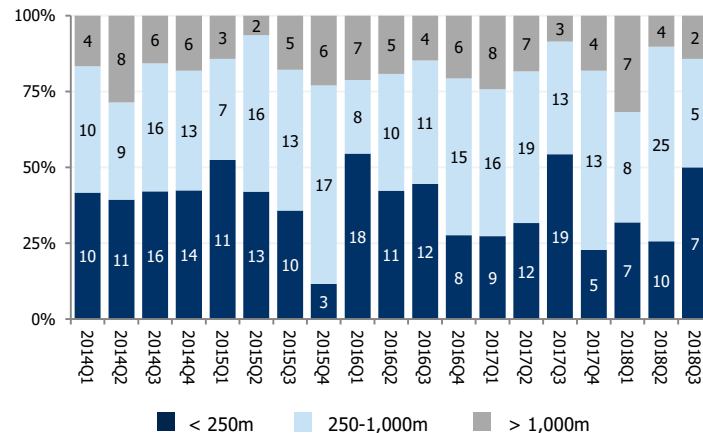
### The Netherlands



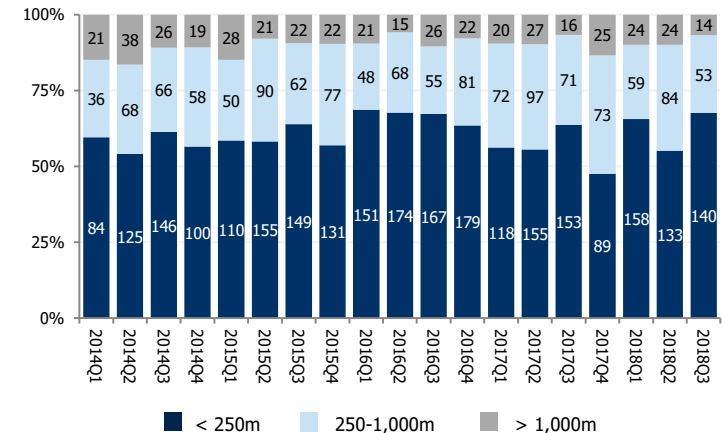
### Eurozone



### Breakdown no. transactions on deal size



### Breakdown no. transactions on deal size



## Q3 2018 syndicated loan transactions in the Netherlands – a selection

### Key highlights

- NXP entered into a USD 1.0bn bridge term credit facility. The proceeds of the loan shall be used for general corporate purposes and to finance its announced share buy-back program.
- Intergamma Holding completed its EUR 227m financing to acquire 156 stores from their CRH subsidiary Van Neerbos Groep. The facilities are maturing between 2019 and 2024.
- Q3 shows a large part of acquisition related transactions.
  - Stars Group, known of brands such as PokerStars, financed the acquisition of Sky Betting and Gaming. They increased their RCF to USD 700m and entered into a first lien term loan of USD 3,575m and Euro tranche of EUR 850m.

Date	Company	Type	Currency	Size (mln.)	Maturity	Sector	Purpose	Rank	Pricing
27 Sep	Huawei Technologies	REV	USD	750	2024	Technology	Working Capital	Unsecured	US LIBOR + 95
27 Sep	Huawei Technologies	TERM	USD	750	2024	Technology	Gen Corp Purp	Unsecured	US LIBOR + 95
19 Sep	NXP	BRIDGE TERM	USD	1,000	2019	Technology	Gen Corp Purp	Unsecured	US LIBOR + 150
31 Aug	Verder International	REV	EUR	40	Undisclosed	Industrial	Refinance	Unsecured	Undisclosed
3 Aug	Ceva Logistics Finance	TERM	USD	475	2025	Industrial	Refinance	Secured	US LIBOR + 375
3 Aug	Ceva Logistics Finance	REV	USD	585	2023	Industrial	Refinance	Secured	Undisclosed
1 Aug	Rouge Beachhouse	REV	EUR	30	2025	Consumer, Cyclical	Refinance	Secured	EURIBOR + 300
1 Aug	Composite Resins Subholding	REV	USD	90	2023	Basic Materials	LBO Financing	Secured	Undisclosed
1 Aug	Composite Resins Subholding	TERM	USD	510	2025	Basic Materials	LBO Financing	Secured	US LIBOR + 425
1 Aug	Rouge Beachhouse	TERM	EUR	266	2025	Consumer, Cyclical	Refinance	Secured	EURIBOR + 425
26 Jul	IHC Merwede Holding	TERM	EUR	60	2023	Industrial	Gen Corp Purp	Unsecured	Undisclosed
16 Jul	Columbus Capital	REV	EUR	40	2023	Consumer, Cyclical	Refinance	Secured	EURIBOR + 325
16 Jul	Columbus Capital	TERM	EUR	210	2024	Consumer, Cyclical	Refinance	Secured	EURIBOR + 475
13 Jul	Intergamma Holding	TERM	EUR	166	2023	Consumer, Cyclical	Acquisition Financing	Secured	Undisclosed
13 Jul	Intergamma Holding	REV	EUR	5	2023	Consumer, Cyclical	Acquisition Financing	Secured	Undisclosed
13 Jul	Intergamma Holding	TERM	EUR	13	2024	Consumer, Cyclical	Acquisition Financing	Secured	Undisclosed
13 Jul	Intergamma Holding	REV	EUR	10	2019	Consumer, Cyclical	Acquisition Financing	Secured	Undisclosed
13 Jul	Intergamma Holding	TERM	EUR	33	2024	Consumer, Cyclical	Acquisition Financing	Secured	Undisclosed
11 Jul	Hyva Global	REV	USD	20	2020	Industrial	Gen Corp Purp	Unsecured	US LIBOR + 350
11 Jul	Hyva Global	TERM	USD	134	2020	Industrial	Gen Corp Purp	Unsecured	US LIBOR + 350
10 Jul	Stars Group Holdings	REV	USD	700	2023	Consumer, Cyclical	Refinance	Secured	US LIBOR + 325
10 Jul	Stars Group Holdings	TERM	USD	3,575	2025	Consumer, Cyclical	Acquisition Financing	Secured	US LIBOR + 350
10 Jul	Stars Group Holdings	TERM	EUR	850	2025	Consumer, Cyclical	Acquisition Financing	Secured	EURIBOR + 375
9 Jul	Revlon Holdings	ASSET-BASED TERM	EUR	77	2021	Consumer, Non-cyclical	Working Capital	Secured	EURIBOR + 650
4 Jul	Ignition Midco	REV	EUR	50	2024	Basic Materials	LBO Financing	Secured	Undisclosed
4 Jul	Ignition Midco	TERM	EUR	260	2025	Basic Materials	LBO Financing	Secured	EURIBOR + 475
4 Jul	Ignition Midco	TERM	EUR	65	2026	Basic Materials	LBO Financing	Secured	Undisclosed

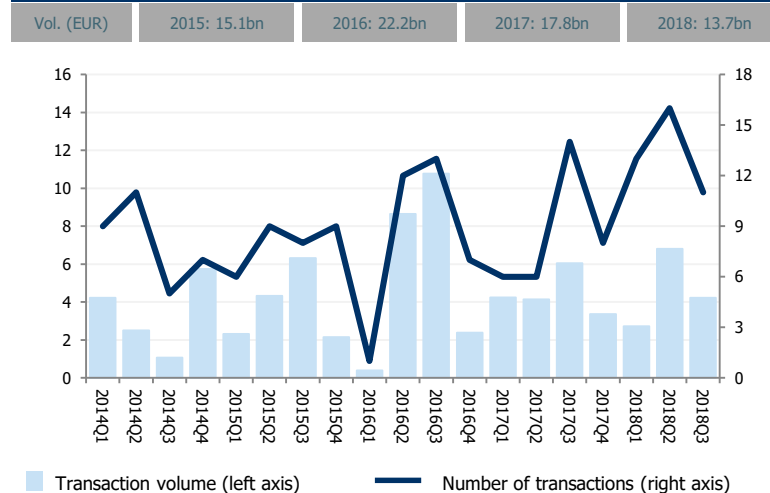
# Debt capital market in the Netherlands and the Eurozone

## Key highlights

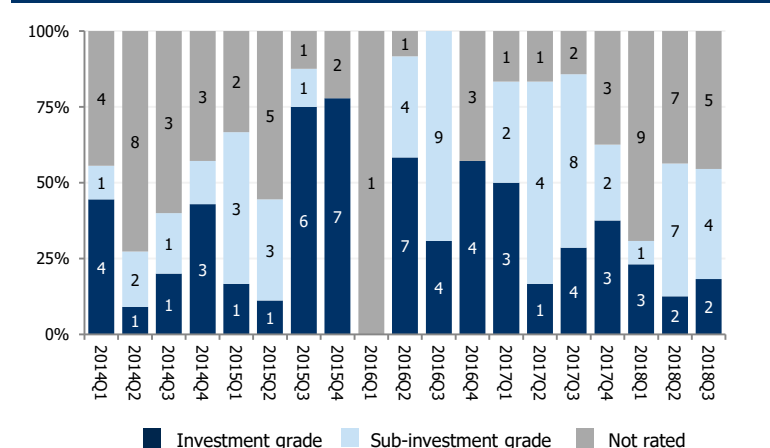
- The third quarter was relatively quiet. Dutch debt capital market issuance declined from EUR 6.8bn in Q2 2018 to EUR 4.2bn in Q3 2018.
  - However, 2018 is still going to be a more active year than 2017 as the 2018 YTD total number of transactions of 40 already exceeds the number of 34 transactions in 2017.
- The majority of Q3 debt capital market deals in the Dutch market were issued by non-rated companies, in line with the first half of 2018.
  - This is in contrast to 2017, where most deals were rated.
- The Eurozone debt capital market is more stable in terms of total volume and total transactions than the (relatively small) Dutch market alone.
- Annual Eurozone volume is heading towards a record high with a 2018 YTD volume of EUR 241.6bn, close to 2017 volume of 275.8bn.

### The Netherlands

#### Transaction volume and no. transactions

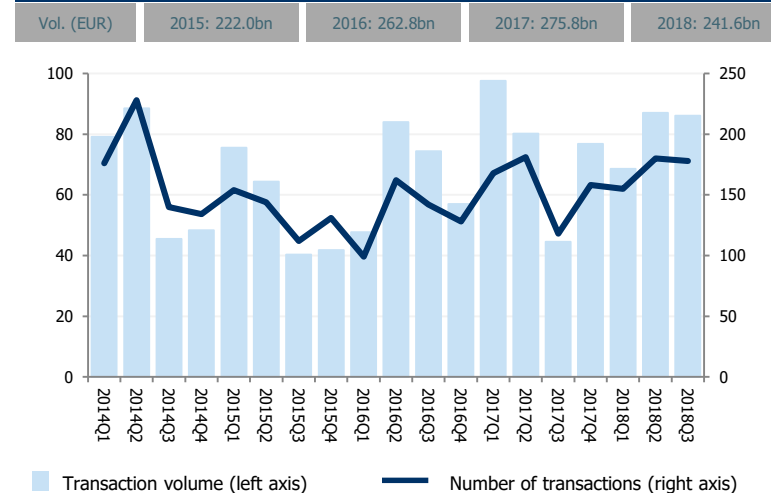


#### Breakdown no. transactions on credit profile

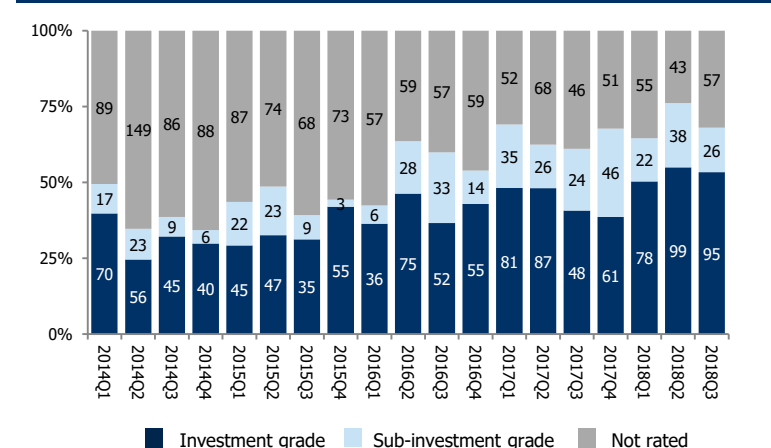


### Eurozone

#### Transaction volume and no. transactions



#### Breakdown no. transactions on credit profile



Source: Bloomberg, Orchard Finance analysis. These analyses are based on publicly available information on Bloomberg with respect to the debt capital market of entities incorporated in the relevant markets.

## Debt capital market transactions of Dutch issuers in 2018

### Key highlights

- Two of the strongest Dutch corporate issuers have taken the opportunity to extend their maturity profile while locking in still very low absolute rates.
  - Heineken issued in total EUR 1.25bn of notes of which EUR 650 mln with a maturity of 12.5 years (@1.75%) and 600 mln with a maturity of 8.5 years (@1.25%).
- Stedin issued EUR 500 mln of bonds maturing in ten years (@1.375). The proceeds shall be used to refinance maturing loans, but also to finance the energy transition to further reduce CO<sub>2</sub>.

Date	Company	Credit rating	Currency	Size (mln.)	Maturity	Sector	Series	Coupon (%)	Spread*
2018 Q3									
7 Sep	Starfruit Finco / Starfruit Us Holdco	Caa1 / (P)B-	USD	605	2026	Basic Materials	PRIV PLACEMENT / 144A	8.000	Undisclosed
7 Sep	Starfruit Finco / Starfruit Us Holdco	Caa1e / (P)B-	EUR	485	2026	Basic Materials	EURO NON-DOLLAR / REGS	6.500	Undisclosed
18 Sep	Interxion Holding	B1	EUR	200	2025	Technology	EURO-ZONE / SEPT	4.750	Undisclosed
4 Sep	Promontoria Holding 184	N.R.	EUR	167	2037	Energy	EURO-ZONE	3.290	Undisclosed
5 Sep	Stedin Holding	A-	EUR	500	2028	Utilities	EMTN	1.375	Undisclosed
4 Sep	Promontoria Holding 184	N.R.	EUR	167	2037	Energy	EURO-ZONE	3.290	Undisclosed
4 Sep	Argentum Netherlands	N.R.	EGP	3,373	2023	Consumer, Non-cyclical	EMTN	0.000	Undisclosed
3 Sep	Heineken	Baa1 / BBB+	EUR	650	2031	Consumer, Non-cyclical	EMTN	1.750	Undisclosed
3 Sep	Heineken	Baa1 / BBB+	EUR	600	2027	Consumer, Non-cyclical	EMTN	1.250	Undisclosed
27 Jul	Promontoria Holding 264	B2 / (P)B	EUR	400	2023	Industrial	EURO-ZONE / REGS	6.750	Undisclosed
23 Jul	Promontoria Holding 264	B2 / (P)B	EUR	260	2023	Industrial	EURO-ZONE / REGS	6.250	Undisclosed
23 Jul	Argentum Netherlands	N.R.	EGP	210	2018	Consumer, Non-cyclical	EMTN	0.000	Undisclosed
2018 Q2									
5 Jun	Interxion Holding	B1 / BB-	EUR	1000	2025	Technology	EURO-ZONE / REGS	4.750	Undisclosed
6 Jun	Argentum Netherlands	N.R.	EGP	1325	2018	Consumer, Non-cyclical	EMTN	0.000	Undisclosed
1 Jun	Cimpress Nv	B2 / B+	USD	400	2026	Consumer, Non-cyclical	PRIV PLACEMENT / 144A	7.000	Undisclosed
22 May	Tennet Holding	A3 / A-	EUR	750	2034	Utilities	EMTN	2.000	Undisclosed
22 May	Tennet Holding	A3 / A-	EUR	500	2028	Utilities	EMTN	1.375	Undisclosed
16 May	Trafigura Funding Sa	N.R.	CHF	165	2023	Energy	EMTN	2.250	222.0
16 May	Argentum Netherlands	N.R.	USD	19	2018	Consumer, Non-cyclical	EMTN	0.000	Undisclosed
23 Apr	Sunshine Mid	Caa1 / B-	EUR	445	2026	Consumer, Non-cyclical	EURO-ZONE / REGS	6.500	Undisclosed
24 Apr	Argentum Netherlands	N.R.	USD	10	2019	Consumer, Non-cyclical	EMTN	3.900	Undisclosed
17 Apr	Sigma Holdco	B3 / B-	EUR	685	2026	Consumer, Non-cyclical	EURO-ZONE / REGS	5.750	Undisclosed
25 Apr	Sigma Holdco	B3 / B-	USD	525	2026	Consumer, Non-cyclical	PRIV PLACEMENT / 144A	7.875	Undisclosed
24 Apr	Koninklijke Philips	Baa1 / BBB+	EUR	500	2024	Consumer, Non-cyclical	EURO-ZONE	0.750	Undisclosed
24 Apr	Koninklijke Philips	Baa1 / BBB+	EUR	500	2028	Consumer, Non-cyclical	EURO-ZONE	1.375	Undisclosed
23 Apr	Sunshine Mid	Caa1 / B-	EUR	445	2026	Consumer, Non-cyclical	EURO-ZONE / REGS	6.500	Undisclosed
9 Apr	Oci	B1 / BB-	USD	650	2023	Basic Materials	PRIV PLACEMENT / 144A	6.625	Undisclosed
9 Apr	Oci	B1 / BB-	EUR	400	2023	Basic Materials	EURO-ZONE / REGS	5.000	Undisclosed
12 Apr	Shop Apotheke Europe	N.R.	EUR	75	2023	Consumer, Cyclical	EURO-ZONE	4.500	Undisclosed
3 Apr	Argentum Netherlands	N.R.	USD	10	2018	Consumer, Non-cyclical	EMTN	0.000	Undisclosed

## Dutch syndicated loan and debt capital markets league tables

### Key highlights

- Deutsche Bank leads the Dutch Syndicated Loan Market with a market share of 8.9%. Notable is the difference with runner-up BNP Paribas.
- Rabobank is the first Dutch bank, ranking 7<sup>th</sup> with a total volume of EUR 2.3bn.
- Deutsche Bank also ranks first in the DCM league table with a market share of 9.5%, followed by Dutch bank ING (8.9%) and Credit Suisse (8.2%). Notable is that this top 3 already exceeded their total number of deals in 2017.

#### Dutch syndicated loan league table (based on volume in EURm)

Rank	Bank	2018 YTD			2017		
		Vol.	No.	Mrkt %	Vol.	No.	Mrkt %
1	Deutsche Bank	4,546	20	8.9%	4,608	26	6.7%
2	BNP Paribas	3,213	16	6.3%	4,038	28	5.9%
3	Citi	3,211	14	6.3%	2,661	21	3.9%
4	Barclays	2,739	12	5.4%	3,012	16	4.4%
5	Credit Suisse	2,670	13	5.2%	3,649	23	5.3%
6	JP Morgan	2,570	10	5.0%	4,668	24	6.8%
7	Rabobank	2,333	16	4.6%	4,285	37	6.2%
8	Credit Agricole CIB	2,313	11	4.5%	1,465	11	2.1%
9	ING Groep	2,058	19	4.0%	4,227	40	6.1%
10	HSBC	1,962	13	3.8%	3,864	28	5.6%
11	Goldman Sachs	1,900	12	3.7%	2,511	14	3.6%
12	Mizuho Financial	1,896	7	3.7%	744	8	1.1%
13	Societe Generale	1,806	11	3.5%	2,349	18	3.4%
14	ABN Amro Bank	1,634	9	3.2%	3,960	33	5.7%
15	Bank of America Merrill Lynch	1,490	7	2.9%	2,350	18	3.4%
16	Macquarie	1,255	2	2.5%	1,119	3	1.6%
17	BMO Capital Markets	1,209	2	2.4%	214	2	0.3%
18	Morgan Stanley	1,199	7	2.3%	1,865	9	2.7%
19	Mitsubishi UFJ Financial Group	1,133	7	2.2%	1,162	10	1.7%
20	UniCredit	1,095	8	2.1%	914	7	1.3%

#### Dutch DCM league table (based on volume in EURm)

Rank	Bank	2018 YTD			2017		
		Vol.	No.	Mrkt %	Vol.	No.	Mrkt %
1	Deutsche Bank	1,238	16	9.5%	761	7	4.7%
2	ING Groep	1,162	13	8.9%	1,238	12	7.6%
3	Credit Suisse	1,074	24	8.2%	1,149	17	7.1%
4	BNP Paribas	926	14	7.1%	1,150	13	7.1%
5	JP Morgan	832	11	6.4%	1,521	14	9.4%
6	Rabobank	756	9	5.8%	633	6	3.9%
7	Mitsubishi UFJ Financial Group	750	9	5.8%	379	5	2.3%
8	Bank of America Merrill Lynch	731	10	5.6%	596	7	3.7%
9	Citi	710	11	5.5%	616	6	3.8%
10	Societe Generale	587	10	4.5%	783	8	4.8%
11	Barclays	495	7	3.8%	1,098	7	6.8%
12	Credit Agricole CIB	477	8	3.7%	324	3	2.0%
13	HSBC	437	9	3.4%	1,438	14	8.9%
14	Goldman Sachs	372	6	2.9%	524	4	3.2%
15	Lloyds Bank	330	4	2.5%	-	-	-
16	Mizuho Financial	308	7	2.4%	125	2	0.8%
17	RBC Capital Markets	276	6	2.1%	-	-	-
18	NatWest Markets	253	4	2.0%	639	6	3.9%
19	ABN Amro Bank	200	1	1.5%	763	8	4.7%
20	Morgan Stanley	190	3	1.5%	239	2	1.5%



## Recent assignments



**2018**

Refinancing of asset-based credit facilities



**2018**

Refinancing of care and real estate entities



**2018**

Financing strategy



**2018**

Financial Strategy Assessment



**2018**

Advice on financing structure and coordination of refinancing of group credit facilities



**2018**

Coordination acquisition finance facilities



**2018**

Receivables securitization



**2018**

Refinancing of Borrowing Base facility



**2018**

Advice and support in refinancing



**2018**

Advice and support in refinancing



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