

Transaction Highlights Q4 2018

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

Summary of key market observations

Benchmark yields and credit spreads

- Largest quarterly increase in credit spreads of last 4 years
- Investor flight-to-safety: US, German and Dutch government bond yields all fell considerably

Debt capital market

- Total number of Dutch debt capital market deals increased in 2018: Mainly driven by an increase in (smaller) non-rated deals
- Quiet Q4 does not stop 2018 from being a record year: European debt capital market volume ended at 297.9bn

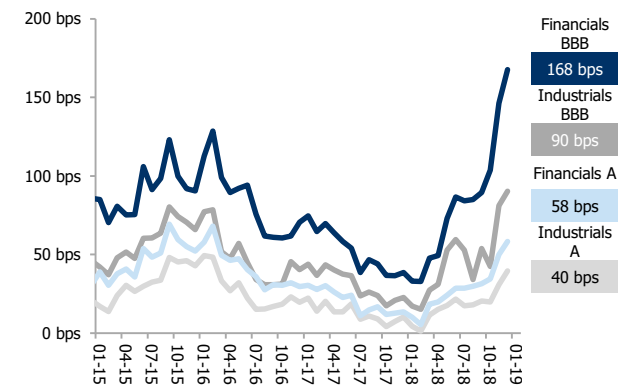
Syndicated loan market

- Also strong Q4 in Dutch syndicated loan market: 2018 transaction volume surpassed volume in 2017
- Trend even more pronounced Eurozone syndicated loan market, highest deal volume since 2015

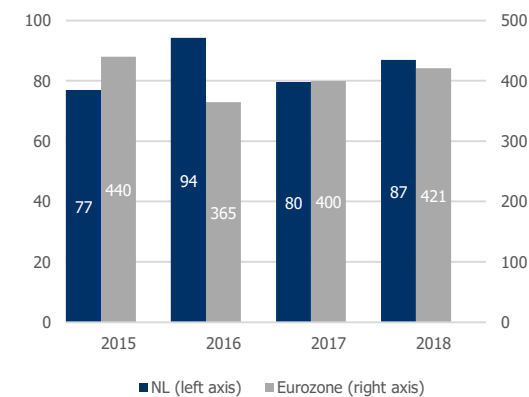
NL league tables

- Deutsche Bank leads the Dutch syndicated loan market
- Credit Suisse ranks first at the Dutch debt capital market league table

European 5-year credit spreads



Total transaction volume in the SLM

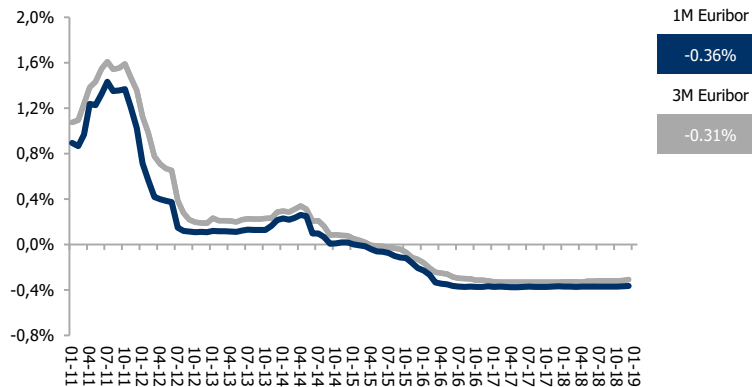


Benchmark yields and credit spreads: the general picture

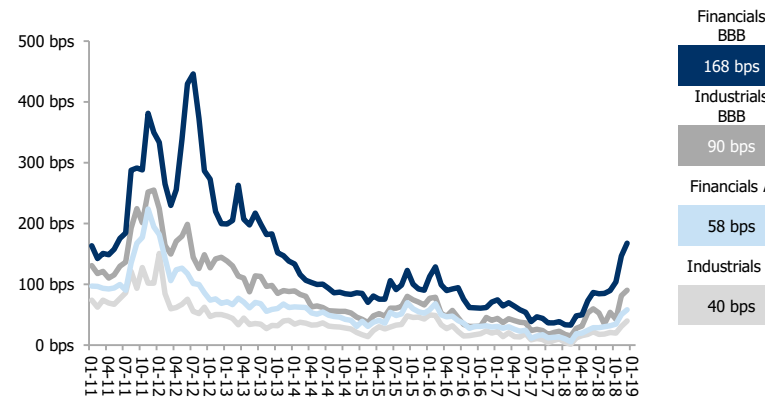
Largest quarterly increase in credit spreads of last 4 years

- Spreads for A- rated Industrials up 50%, BBB spreads doubled.
- Spreads for Financials rose even stronger than Industrials.
- Highest spread levels since Q1 2016.

Development 1-month versus 3-month Euribor



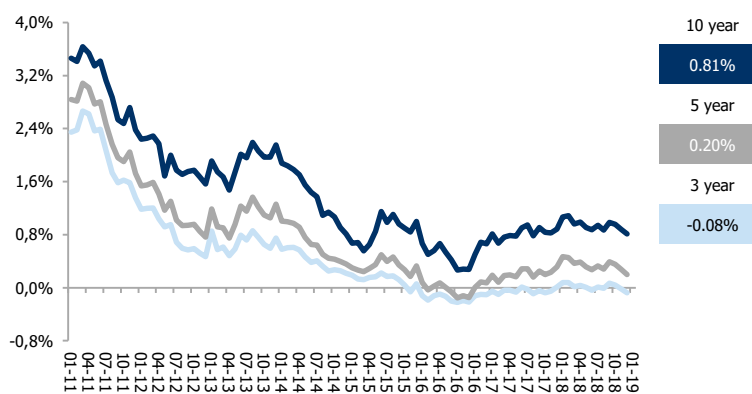
European Industrials and Financials 5-year credit spreads



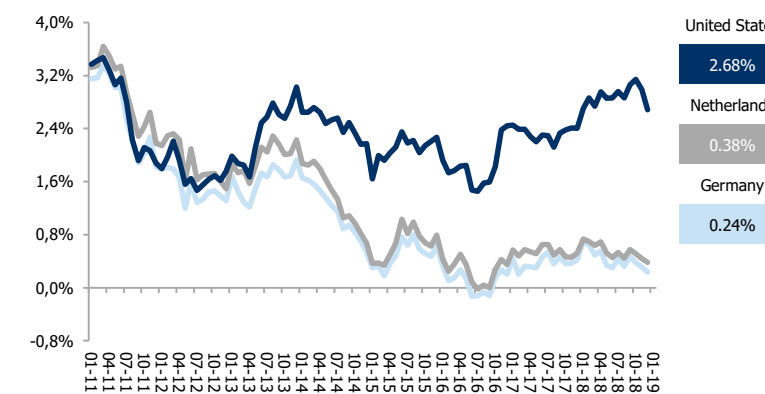
Investors flight-to-safety

- US, German and Dutch government bond yields all fell considerably.
- Dutch 10Y yield 0.38%, lowest since Q4 2016. German and US yields down to 0.24% and 2.68% respectively.

Development of 3, 5 and 10-year swap rates



Yield development 10-year sovereign bonds



Source: Bloomberg (all data until 1 January 2019)
The European Industrials and Financials Bloomberg indices are populated with noted EUR currency denominated fixed-rated bonds. Spreads are above 5yr EUR swap rate

Benchmark yields and credit spreads: zooming in on The Netherlands

On the previous page we observed that credit spreads have widened considerably, especially for lower rated issuers and for financials. In this – extra – slide we are taking a look at what is happening closer to home as we are zooming in on a selection of corporates and financials active in The Netherlands

With the exception of the 3rd quarter, spreads widened consistently through the year

- Financials hit the hardest, especially BBB institutions have seen massive rise in funding cost.
- Corporates in general much less affected, both in BBB and single A.
 - Corporate outliers are ASML (despite recent Moody's upgrade) and Royal Dutch Shell.

Sample included industrials, ratings and CDS Levels				
Industrials	Rating ¹	CDS 1-1-18	CDS 1-1-19	Δ
Ahold	BBB	58	64	6
Akzo Nobel ²	BBB+	54	61	7
ASML	A-	101	135	34
DSM	A-	30	36	6
Heineken	BBB+	37	38	1
KPN	BBB-	55	65	10
Phillips	BBB+	36	39	3
Royal Dutch Shell ³	AA-	33	56	23
Unilever	A+	26	24	-2
Wolters Kluwer	BBB+	38	31	-7
Average		47	55	8

Sample included financials, ratings and CDS Levels				
Financials	Rating ¹	CDS 1-1-18	CDS 1-1-19	Δ
ABN	A	55	74	19
Barclays	BBB	72	159	87
BNP Paribas	A	24	74	50
Deutsche Bank ⁴	BBB+	74	210	136
HSBC	A	20	48	28
ING	A+	18	41	23
JP Morgan	A-	39	71	32
KBC ⁵	A-	69	111	42
NIBC	BBB	80	101	21
Rabobank	A+	21	39	18
Average		47	93	46

¹: S&P credit ratings. Exception of ASML rating provided by Fitch. Ratings are as of 1 January 2019.

²: S&P rating for AkzoNobel is downgraded from A- to BBB+ on 2 October 2018

³: S&P rating for Royal Dutch Shell is upgraded from A+ to AA- on 1 November 2018

⁴: S&P rating for Deutsche Bank is downgraded from A- to BBB+ on 1 June 2018

⁵: S&P rating for KBC is upgraded from BBB+ to A- on 30 July 2018

Syndicated loan market in the Netherlands and the Eurozone

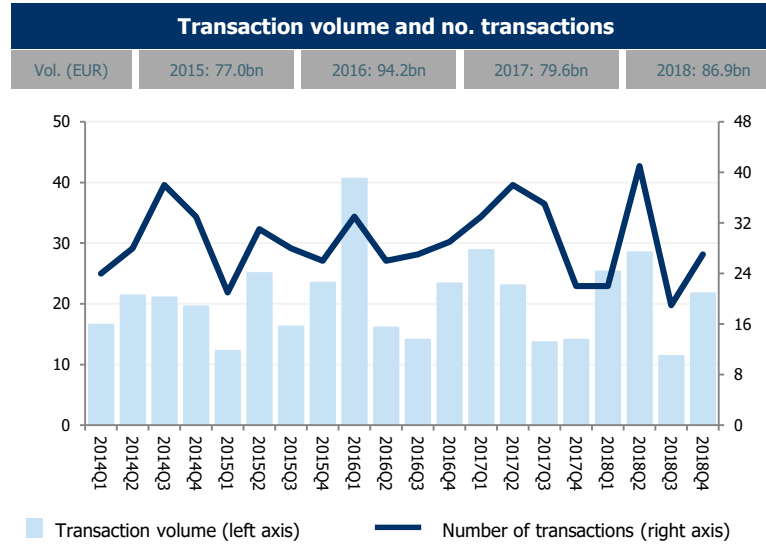
Strong Q4 in Dutch SLM

- Traditionally, year-ending Q4 includes higher volume than Q3.
- Mainly driven by increase in deals larger than 250m.
- 2018 transaction volume surpassed volume in 2017.

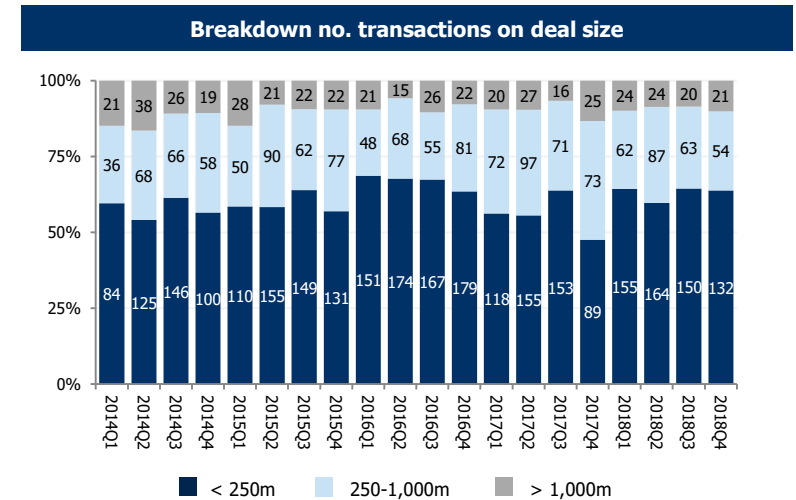
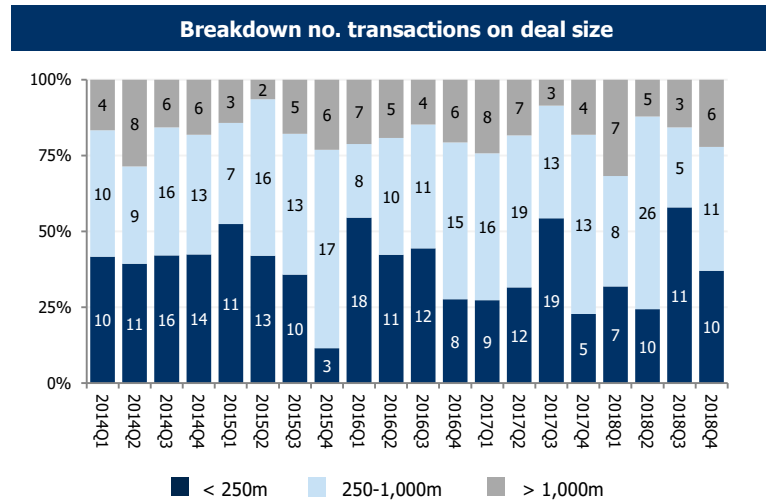
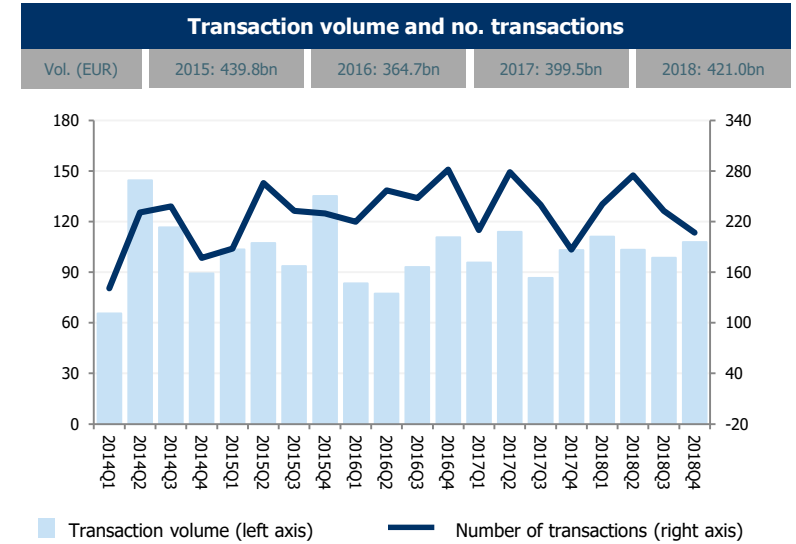
Highest yearly deal volume in Eurozone SLM since 2015

- Q4 decrease in total transactions compensated by large deals¹.

The Netherlands



Eurozone



Source: Bloomberg, Orchard Finance analysis. These analyses are based on publicly available information on Bloomberg with respect to the syndicated loan market of entities incorporated in the relevant market.
¹: Albertis Holdco, Vinci, Jacobs Douwe Egbeerts, Arcelormittal and Bayer all issued loans larger than 4bn EUR value.

Q4 2018 syndicated loan transactions in the Netherlands – a selection

Sustainability linked RCF issued by Dura Vermeer

- Margin is based on external ESG rating provided by EcoVadis.

JDE issued the largest loan in Q4 consisting of EUR 5.522m

- The issue of Jacobs Douwe Egberts is primarily used to refinance the loans originally maturing in 2019 used to finance the Douwe Egberts and Mondelez merger.

Date	Company	Type	Currency	Size (mln.)	Maturity	Sector	Purpose	Rank	Pricing
18 Dec	Univar	ASSET-BASED REV	EUR	200	2023	Basic Materials	Gen Corp Purp	Secured	EURIBOR + 200
18 Dec	SnowWorld	TERM	EUR	30	2025	Consumer, Cyclical	Refinance	Secured	Undisclosed
18 Dec	SnowWorld	TERM	EUR	30	2025	Consumer, Cyclical	Acquisition Financing	Secured	Undisclosed
18 Dec	SnowWorld	REV	EUR	3	2025	Consumer, Cyclical	Refinance	Secured	Undisclosed
17 Dec	Bluewater Holding	REV	USD	325	2021	Industrial	Refinance	Unsecured	Undisclosed
12 Dec	Acta	TERM	EUR	75	2025	Consumer, Non-cyclical	Refinance	Secured	EURIBOR + 400
12 Dec	Acta	REV	EUR	325	2024	Consumer, Non-cyclical	Refinance	Secured	Undisclosed
18 Nov	Dura Vermeer Groep	REV	EUR	260	2021	Industrial	Refinance	Secured	Undisclosed
10 Dec	Enexis Holding	REV	EUR	850	2023	Utilities	Refinance	Unsecured	Undisclosed
6 Dec	REWE International Finance ¹	REV	EUR	2,000	2023	Consumer, Cyclical	Refinance	Secured	Undisclosed
5 Dec	JT International Holding	TERM	EUR	450	2023	Consumer, Non-cyclical	Gen Corp Purp	Unsecured	Undisclosed
4 Dec	Covis Pharma	REV	USD	25	2023	Consumer, Non-cyclical	Acquisition Financing	Secured	Undisclosed
4 Dec	Covis Pharma	TERM	USD	25	2023	Consumer, Non-cyclical	Acquisition Financing	Secured	Undisclosed
4 Dec	Covis Pharma	TERM	USD	300	2023	Consumer, Non-cyclical	Acquisition Financing	Secured	Undisclosed
30 Nov	Petrobras Oil & Gas	REV	USD	2,000	2024	Energy	Refinance	Secured	Undisclosed
30 Nov	Hiltermann Lease Groep	REV	EUR	443	2021	Consumer, Non-cyclical	Refinance	Secured	Undisclosed
16 Sep	Alcoa Nederland Holding	REV	USD	1,500	2023	Basic Materials	Gen Corp Purp	Secured	US LIBOR + 225
16 Nov	Stage Entertainment	TERM	EUR	335	2025	Consumer, Cyclical	Refinance	Secured	EURIBOR + 362.5
16 Nov	Stage Entertainment	REV	EUR	80	Undisclosed	Consumer, Cyclical	Refinance	Secured	Undisclosed
16 Nov	Gunvor International	REV	USD	1,300	2019	Consumer, Cyclical	Refinance	Unsecured	US LIBOR + 95
16 Nov	Gunvor International	REV	USD	380	2021	Consumer, Cyclical	Refinance	Unsecured	Undisclosed
7 Nov	Intertrust Group	TERM	USD	200	2023	Consumer, Non-cyclical	Refinance	Unsecured	US LIBOR + 225
7 Nov	Intertrust Group	TERM	GBP	100	2023	Consumer, Non-cyclical	Refinance	Unsecured	GB LIBOR + 225
7 Nov	Intertrust Group	REV	EUR	150	2023	Consumer, Non-cyclical	Refinance	Unsecured	EURIBOR + 185
5 Nov	Frank's International CV	ASSET-BASED REV	USD	100	2023	Energy	Gen Corp Purp	Secured	US LIBOR + 200
1 Nov	Jacobs Douwe Egberts International	REV	EUR	500	2023	Consumer, Non-cyclical	Acquisition Financing	Secured	EURIBOR + 300
1 Nov	Jacobs Douwe Egberts International	TERM	EUR	1,271	2023	Consumer, Non-cyclical	Refinance	Secured	EURIBOR + 175
1 Nov	Jacobs Douwe Egberts International	TERM	EUR	3,350	2023	Consumer, Non-cyclical	Refinance	Secured	EURIBOR + 175
1 Nov	Jacobs Douwe Egberts International	TERM	EUR	401	2025	Consumer, Non-cyclical	Refinance	Secured	EURIBOR + 200

¹REWE International Finance is part of REWE Group, a large supermarket chain in Germany.

²Gunvor International operates as a commodity trading firm, located in Cyprus.

Debt capital market in the Netherlands and the Eurozone

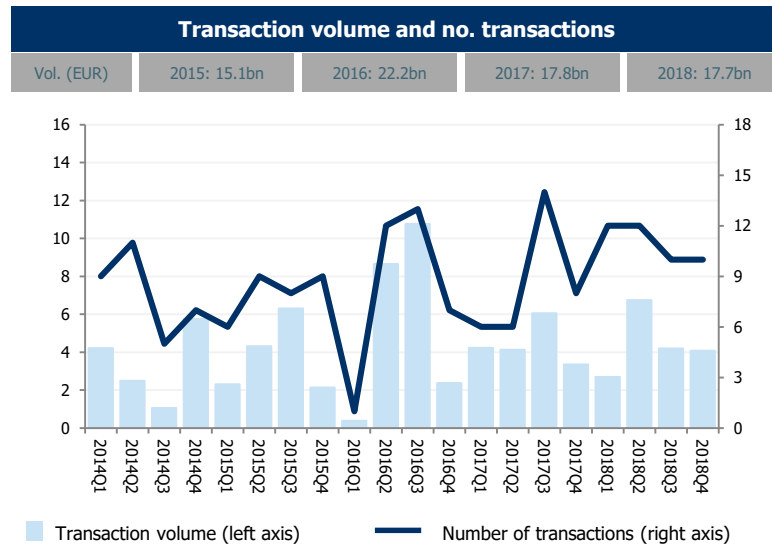
Total number of Dutch DCM deals increased in 2018

- Increase in quantity of 30% but absence of increase in volume.
 - Mainly driven by an increase in (smaller) non-rated deals.

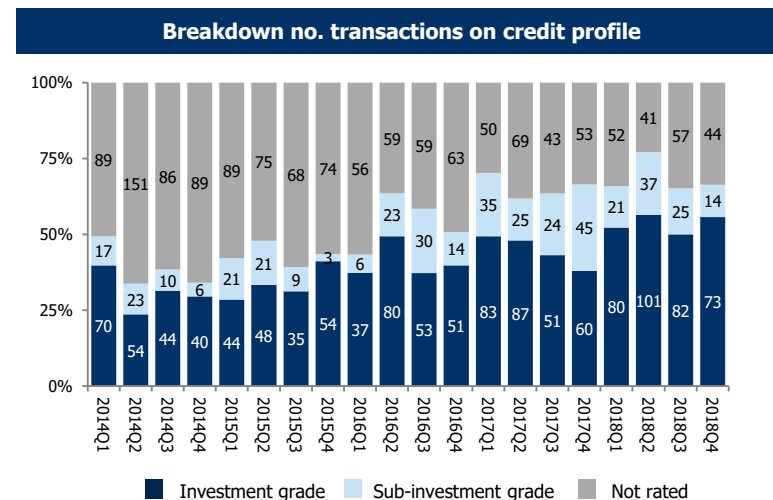
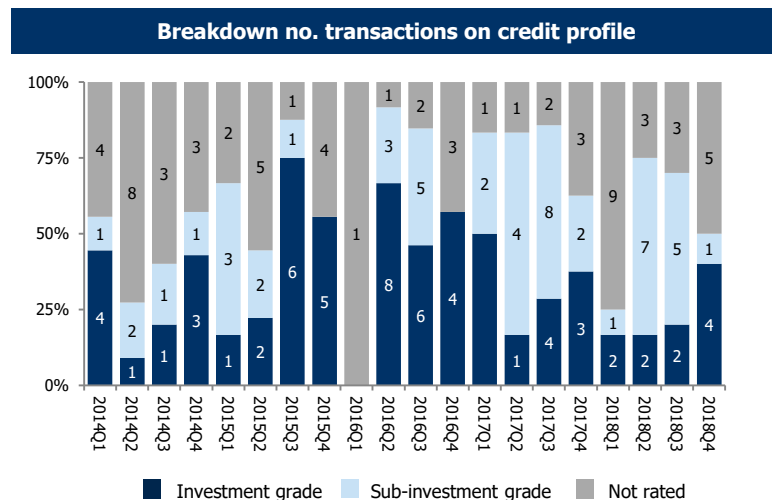
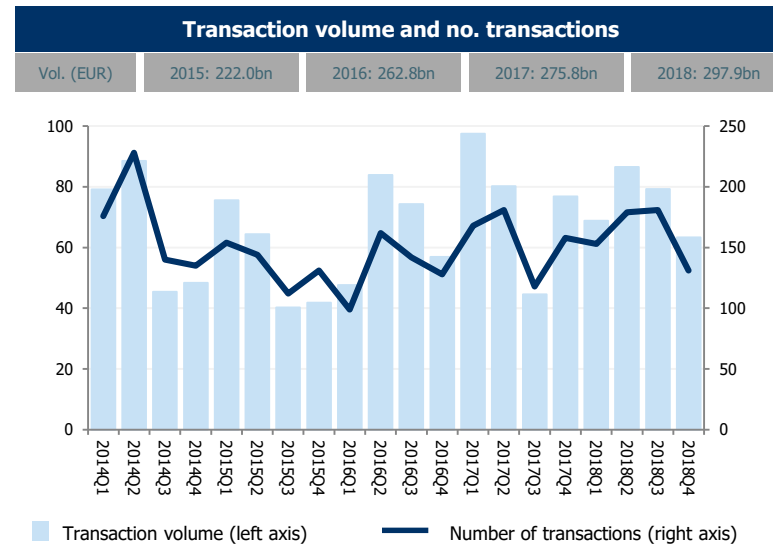
Quiet Q4 does not prevent 2018 from being a record-high year

- Total transaction volume in the European DCM has ended at 297.9bn.

The Netherlands



Eurozone



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 Q3 and Q4 2018

Intertrust entered the DCM

- Issue of EUR 500m of notes (@3.375) maturing in 7 years.

Long-term green bonds issued by Schiphol

- Schiphol issued EUR 500m of green bonds (@1.50) with a tenor of 12 years.

Date	Company	Credit rating	Currency ²	Size (mln.)	Maturity	Sector	Series	Coupon (%)	Spread ¹
2018 Q4									
3 Dec	NXP / NXP Funding LLC	Baa3 / BBB-	USD	500	2026	Technology	PRIV PLACEMENT / 144A	5.350	Undisclosed
3 Dec	Trent Petroleum Finance	N.R.	N.R.	850	2023	Energy	EURO-ZONE	8.500	Undisclosed
3 Dec	NXP / NXP Funding LLC	Baa3 / BBB-	USD	1000	2024	Technology	PRIV PLACEMENT / 144A	4.875	Undisclosed
3 Dec	NXP / NXP Funding LLC	Baa3 / BBB-	USD	500	2028	Technology	PRIV PLACEMENT / 144A	5.550	Undisclosed
14 Nov	Argentum Netherlands	N.R.	EGP	106	2023	Consumer, Non-cyclical	EURO MTN / JaN	0.000	Undisclosed
9 Nov	Bluewater Holding	N.R.	USD	240	2023	Industrial	EURO-DOLLAR	10.000	Undisclosed
5 Nov	Intertrust Group	Ba2 / (P)BB+	EUR	500	2025	Consumer, Non-cyclical	EURO-ZONE / REGS	3.375	Undisclosed
22 Oct	Argentum Netherlands	N.R.	EGP	1,035	2023	Consumer, Non-cyclical	EURO MTN / EMTn	0.000	Undisclosed
22 Oct	Argentum Netherlands	N.R.	USD	15	2019	Consumer, Non-cyclical	EURO MTN / EMTN	0.000	Undisclosed
22 Oct	Royal Schiphol Group	A1 / A+	EUR	500	2030	Industrial	EURO MTN / EMTN	1.500	Undisclosed
8 Oct	Nederlandse Gasunie	A1 / AA-	EUR	300	2028	Utilities	EURO MTN / EMTN	1.375	Undisclosed
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

Source: Bloomberg. Table is based on publicly available information on Bloomberg with respect to the debt capital market of entities with the Netherlands as country of risk.

¹ Spread is at close and above Mid Swaps

² EGP=Egyptian Pounds

Dutch syndicated loan and debt capital markets league tables

Deutsche Bank leads the Dutch SLM

- Total volume of EUR 6,950m and a market share of 9.5%.
- ING is the first Dutch bank, ranking 5th with a total volume of EUR 3,347m and 32 deals.
 - Notable is the difference with Rabobank and ABN Amro with 22 and 18 deals respectively

Credit Suisse ranks first at the Dutch DCM league table

- Driven by an active Q4 with 14 deals.
- ING is the first Dutch bank, ranking 3rd with a total volume of EUR 1,584m and 17 deals.

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

Rank	Bank	2018			2017		
		Vol.	No.	Mrkt %	Vol.	No.	Mrkt %
1	Deutsche Bank	6,950	24	9.5%	4,608	26	6.6%
2	BNP Paribas	6,109	24	8.3%	3,991	27	5.7%
3	JP Morgan	5,140	16	7.0%	4,668	24	6.7%
4	Citi	3,461	16	4.7%	2,661	21	3.8%
5	ING Groep	3,347	32	4.6%	4,293	39	6.2%
6	Barclays	3,126	15	4.3%	3,012	16	4.3%
7	Credit Suisse	2,965	16	4.1%	3,731	23	5.4%
8	Credit Agricole CIB	2,954	14	4.0%	1,465	11	2.1%
9	Rabobank	2,914	22	4.0%	4,415	38	6.4%
10	Goldman Sachs	2,793	17	3.8%	2,526	15	3.6%
11	HSBC	2,644	18	3.6%	3,879	29	5.6%
12	ABN Amro Bank	2,486	18	3.4%	4,090	34	5.9%
13	Societe Generale	2,307	13	3.2%	2,349	18	3.4%
14	Bank of America Merrill Lynch	2,070	10	2.8%	2,350	18	3.4%
15	Mizuho Financial	1,962	8	2.7%	744	8	1.1%
16	UniCredit	1,738	12	2.4%	914	7	1.3%
17	Natixis	1,460	8	2.0%	599	6	0.9%
18	Morgan Stanley	1,449	9	2.0%	1,865	9	2.7%
19	Mitsubishi UFJ Financial Group	1,415	10	1.9%	1,162	10	1.7%
20	Macquarie	1,321	3	1.8%	1,119	3	1.6%

Dutch DCM league table (based on volume in EURm)

Rank	Bank	2018			2017		
		Vol.	No.	Mrkt %	Vol.	No.	Mrkt %
1	Credit Suisse	1,684	30	10.1%	1,095	12	6.8%
2	Deutsche Bank	1,646	20	9.9%	761	7	4.7%
3	ING Groep	1,584	17	9.5%	1,238	12	7.7%
4	BNP Paribas	1,092	15	6.6%	1,150	13	7.1%
5	Bank of America Merrill Lynch	1,084	13	6.5%	596	7	3.7%
6	Rabobank	856	10	5.2%	633	6	3.9%
7	Barclays	847	10	5.1%	1,098	7	6.8%
8	JP Morgan	832	11	5.0%	1,521	14	9.4%
9	Mitsubishi UFJ Financial Group	806	10	4.9%	379	5	2.4%
10	Citi	710	11	4.3%	616	6	3.8%
11	Societe Generale	587	10	3.5%	783	8	4.9%
12	Morgan Stanley	542	6	3.3%	239	2	1.5%
13	HSBC	492	10	3.0%	1,438	14	8.9%
14	Credit Agricole CIB	477	8	2.9%	324	3	2.0%
15	NatWest Markets	475	6	2.9%	639	6	4.0%
16	Goldman Sachs	428	7	2.6%	524	4	3.3%
17	Mizuho Financial	363	8	2.2%	125	2	0.8%
18	ABN Amro Bank	356	3	2.1%	763	8	4.7%
19	Lloyds Bank	330	4	2.0%	-	-	-
20	RBC Capital Markets	276	6	1.7%	-	-	-

Recent assignments



2018

Refinancing of asset-based credit facilities



2018

Refinancing of care and real estate entities



2018

Advice and support in refinancing (including financial modelling)



2018

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



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

Support in refinancing group credit and guarantee facilities



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