



GETLINK

A key player in mobility infrastructures, international transport and leader in eco-responsible transport

www.getlinkgroup.com

CHALLENGE

- **Debt of €4 billion in 2015**
- **Interests at level of 2007**
- **No possibility of financing new activities**
- **Material change in debt structure needed**

Getlink is the manager and operator of the Channel Tunnel between France and the United Kingdom. In 2015, limited by a rigid, decade-long financial issue, consisting of €4 billion of debt, Getlink looked to goetzpartners for assistance.

goetzpartners secured the issue of five fixed rate bonds, for an aggregated amount of €2 billion, to both refinance Getlink's entire floating rate debt, and also to partially unwind the swap agreements in place. The new issues were placed successfully in May 2017.

SOLUTION

goetzpartners also advised Getlink in February 2018 on the bilateral discussion with its main creditor, FMS, which led to a broad agreement whereby FMS sold part of its bonds to Getlink in exchange for a call on the remaining part and a removal of its consent rights.

Getlink was now able to issue its first bond at the holding level, a successful Green Bonds issue was placed on the market in September 2018, for an amount of € 550 million. goetzpartners advised Getlink on the structuring of the instrument, on the selection of the placement banks, and on the legal and financial conditions of the deal.

RESULT

- **Refinancing of entire floating debt**
- **Decrease financing costs by €60 million p.a.**
- **Removal of special consent rights**
- **First bonds issue at holding level ever**

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THE CORE EXPLORED

From 2007, the Getlink Group had continued working with Deutsche Bank and Goldman Sachs which implemented the original secured vehicle and placed the initial bonds but looked to goetzpartners for an alternative way of thinking and a new approach to potential debt scenarios. With their drive to explore a wider range of scenarios, the goetzpartners team worked with the two investment banks to finally secure the issue of five fixed rate bonds, for an aggregated amount of €2 billion, to both refinance its entire floating rate debt, and also to partially unwind the swap agreements in place.

goetzpartners helped Getlink on the negotiation for the cancellations of the swap, and advised its client on the new issues, which were placed successfully by the two investment banks in May 2017. This transaction enabled the Group to decrease its financing costs by €60 million per year – reducing the average cost of debt from over six per cent to less than four per cent. The deal marked a hugely significant moment in the company's refinancing process by substantially lowering debt interest costs and creating value for the shareholders.

Through existing connections with the senior decision makers at FMS, goetzpartners was able to initiate discussions with the right people within the organization. After six months of highly complex negotiations a successful deal was reached and announced in early 2018. Agreeing to purchase part of FMS's sterling inflation-linked bonds and with a call on all of its outstanding bonds by 2025, Getlink managed to remove FMS' special consent rights and reorganize its debt structure to allow in particular for free debt issues by the holding company and all of its subsidiaries unrelated to the Channel link.

// *To make substantial progress in the management of our debt, we needed an independent advisor to offer bright ideas and deliver on their implementation. In this regard, goetzpartners was a very valuable partner and provided the right connections at the right moment during negotiations. //*



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