

The background features a close-up of a hand holding a credit card over a laptop keyboard. A network of thin white lines is overlaid on the image, connecting various points across the scene. The overall color palette is cool, dominated by blues and greys.

nets

Press Release

January 2019

Announcement

- Following the closing of the Dotpay and Concardis acquisitions, Nets A/S (“Nets” or the “Company”) continues to explore potential opportunities for opportunistic bolt-on M&A growth, in line with the strategy outlined previously
- The combined group encompassing Nets, Concardis and Dotpay (the “Group”) is a leading European payments player, hence validating Hellman & Friedman’s (“H&F”) vision to create a payments European champion following their take-private of Nets (which closed in February 2018)
- As part of the continued optimization of the Group’s capital structure and liquidity position, the Group is considering a €100m EUR Term Loan B add-on, (the “Transaction”) for the purposes of repaying drawn RCF and funding excess cash to balance sheet, which may be used to fund a small bolt-on acquisition in the future
- In addition to the €2.7bn equity from the time of the LBO, the additional rolled equity from Concardis existing shareholders gives a significant equity cushion
- The transaction will leave senior secured net leverage and total net leverage unchanged at 5.0x and 6.1x respectively, based on Financing EBITDA of €530m¹ / DKK3,947m which is based on Nets standalone Q3 LTM EBITDA as reported pro forma for the Concardis and Dotpay acquisitions

Notes Based on EUR / DKK FX rate of 7.45

1. Comprises Nets LTM Sept-18 adjusted EBITDA of DKK3,298m (as per Q3 2018 Compliance certificate), Concardis and Dotpay FY18E adjusted EBITDA of €83m and €4m respectively. Excludes any synergies arising from the combination of Nets with Concardis and Dotpay

Sources and uses and capitalisation

Sources and uses

Sources	EURm	DKKm	Uses	EURm	DKKm
EUR Term Loan B (add-on)	100	745	Refinance drawn RCF	84	623
			Cash on balance sheet	15	113
			Fees & expenses	1	9
Total	100	745	Total	100	745

Pro forma capitalisation

	Current (Sept-18) ¹			Adj.		Pro Forma (Sept-18)			Tenor	Pricing	Floor
	EURm	DKKm	Leverage	EURm	DKKm	EURm	DKKm	Leverage			
Cash	(93) ²	(694)		(15)	(113)	(108)	(807)				
RCF drawn	84	623		(84)	(623)	-	-		2024	E+3.00% ⁴	Zero
Senior Notes (EUR)	220	1,640		-	-	220	1,640		2024	2.875%	n/a
Term Loan B (NOK)	295	2,202		-	-	295	2,202		2025	N+4.00%	Zero
Existing Term Loan B (EUR)	1,639	12,228		-	-	1,639	12,228		2025	E+3.00% ⁴	Zero
Existing Term Loan B2 (EUR)	475	3,539		-	-	475	3,539	} Merged and fungible once drawn	2025	E+3.75%	Zero
New Term Loan B3 add-on (EUR)	-	-		100	745	100	745		2025	E+3.75%	Zero
Finance leases	9	68		-	-	9	68				
Net senior secured debt	2,629	19,606	5.0x			2,630	19,615	5.0x			
Second Lien (NOK)	406	3,028		-	-	406	3,028		2026	N+8.00%	1.00%
Second Lien (EUR)	190	1,417		-	-	190	1,417		2026	E+7.00%	1.00%
Total net debt	3,225	24,051	6.1x			3,226	24,060	6.1x			
Available RCF	240	1,788				240	1,788				
LTM Financing EBITDA	530³	3,947				530³	3,947				

Leverage at time of Nets LBO was 5.5x / 7.0x and 5.3x / 6.5x at Concardis / Dotpay add-on

Notes Based on EUR/DKK FX rate of 7.45

- Pro forma for Concardis / Dotpay acquisition and the €475m TLB add-on
- Includes Nets LTM Sept-18 cash of DKK 307m + FY18E Concardis cash of DKK 387m
- Comprises Nets LTM Sept-18 adjusted EBITDA of DKK3,298m (as per Q3 2018 Compliance certificate), Concardis and Dotpay FY18E adjusted EBITDA of €83m and €4m respectively. Excludes any synergies arising from the combination of Nets with Concardis and Dotpay
- Effective margin; subject to margin ratchet as set out in SFA