



PDI GERMANY FORUM
16 OCTOBER 2024
VER CAPITAL - CASE STUDY





Ver Capital, controlled by **Sienna Investment Manager** (“Sienna”), is one of the leading European asset managers focused on European corporate debt via both AIF and UCITS funds



VER Capital offers a unique platform to access investment opportunities

- Strong track record with almost 20 years of experience with the same Senior Management working together since the outset (2006) and with a strong focus on credit: EU High Yield, EU Leveraged Loans, Private Debt, Infra and Special Situations.
- **Innovative and bespoke investment solutions** for both Italian and international clients (including ELTIF PIR, SMA and dedicated or tailor-made funds)

Sienna is a € 37 billion AUM, pan-European asset manager supported by its shareholder GBL (listed investment holding)

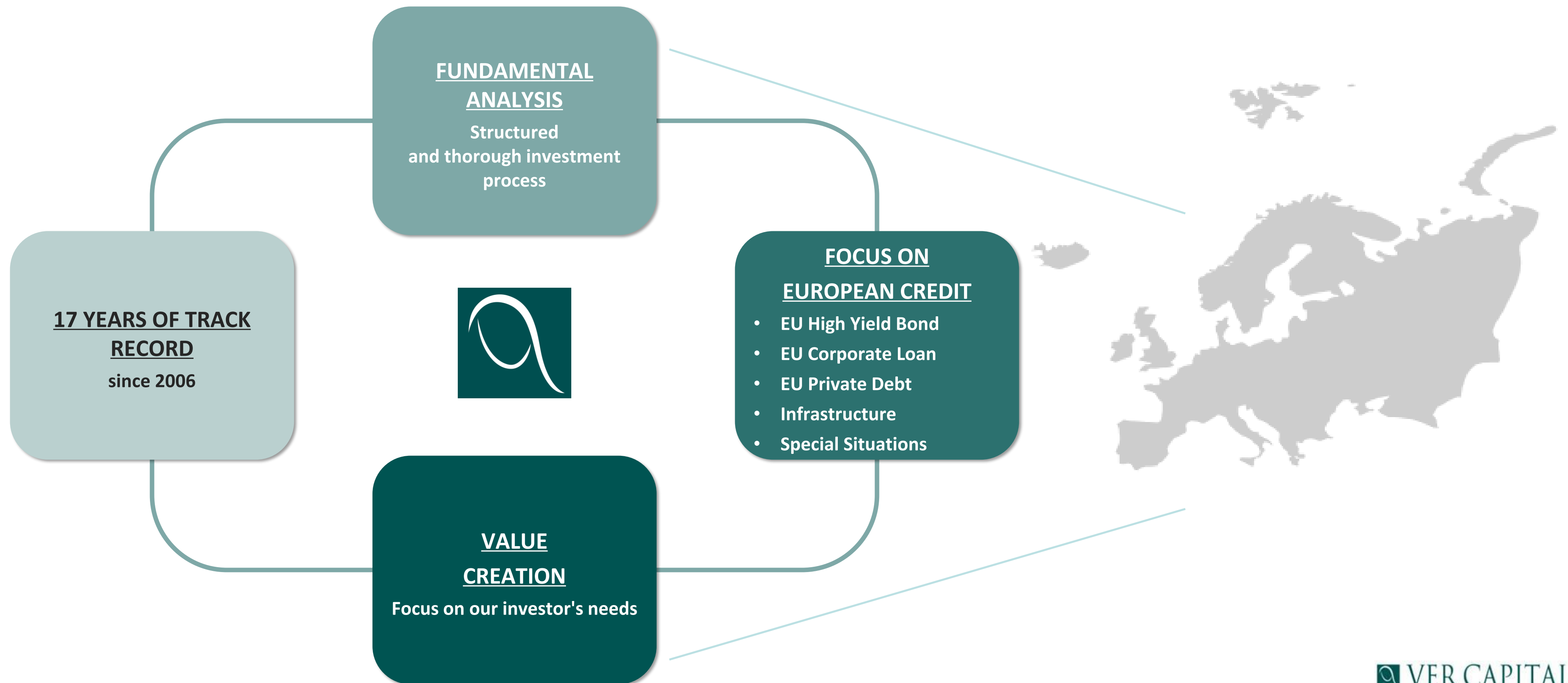
- Complementary strategies across **Private Assets**: Private Equity, Private Debt, Infrastructure and Real Estate
- **Strong ESG** integration embedded in the investment process
- More than **300 professionals**

Signatory of:



Ver Capital Mission

Our mission is to provide **tailored credit solutions in companies across Europe**, while offering our investors superior risk adjusted return, with strong downside protection, transparency, and strictly followed ESG guidelines.



CASE STUDY – Project Light

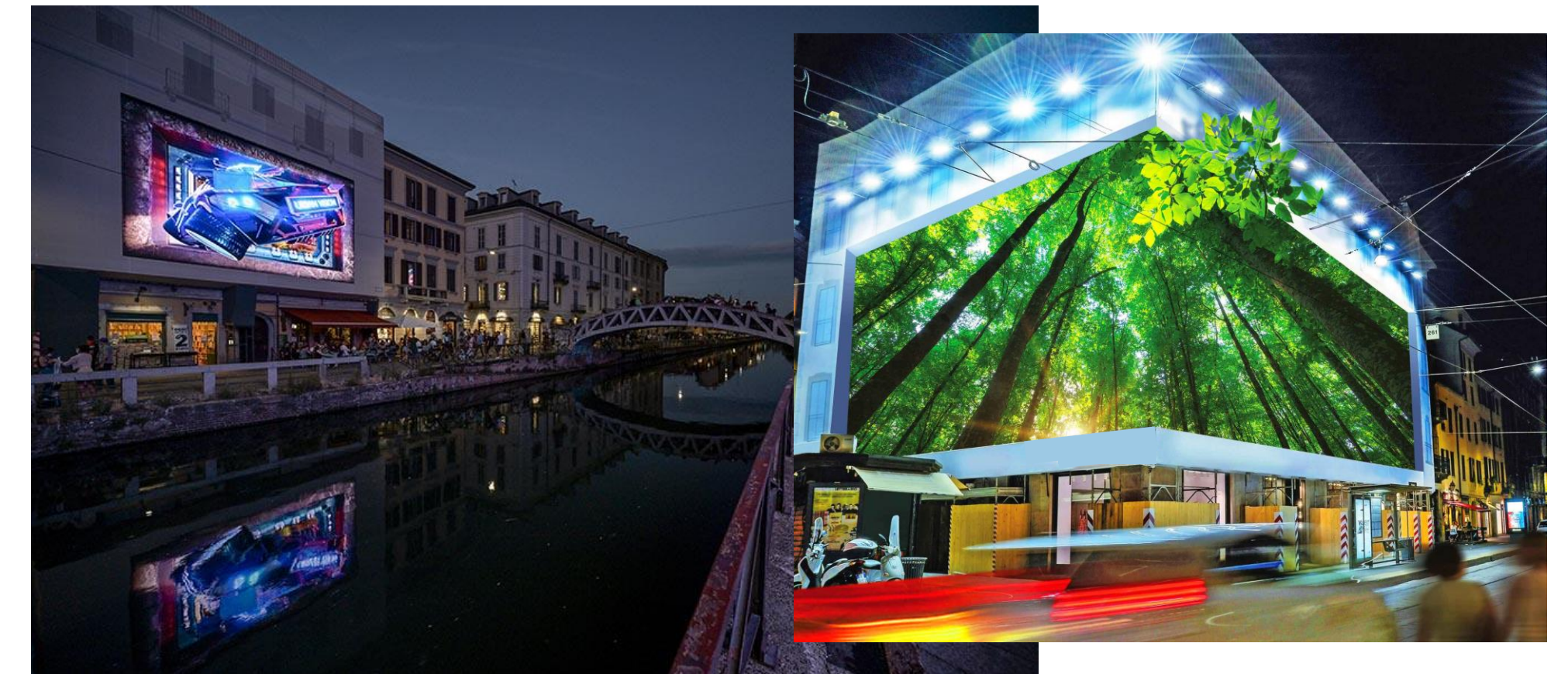
Company Profile

Company Overview

Leading media company specialized in the enhancement of **outdoor advertising spaces**, with a focus on **urban restoration** and **redevelopment projects**. Through strategic partnerships with international brands, the company has **transformed iconic building exteriors into temporary advertising platforms**, financing restoration projects and contributing to the recovery of urban areas. Founded 20 years ago, the company **operates primarily in Italy, Spain, and the United Kingdom**.

Market Overview

In 2023, the **global advertising market** grew to **\$880 billion**, with digital and retail media sectors driving growth. By 2028, it is expected to reach nearly \$986 billion. **In Europe, digital advertising increased by 11.1%, reaching €96.9 billion**, with social media and video ads leading the way. **Italy is one of the top five markets in Europe**, contributing to 69% of the region's digital ad spend.



Key Highlights

- **Financial Metrics (FY 2023)**
 - **Revenues:** €64 m
 - **EBITDA:** €14 million
 - **EBITDA Margin:** 22%
 - **Pro forma NFP:** €26 million
 - **Pro Forma NFP/EBITDA:** 1.9x
- **Headquarter: Italy**
- **Ownership: controlled by the management team**

CASE STUDY – Project Light

Company Profile

Summary

Transaction Background

- The company aimed to raise about €7.5m in order to finance general corporate expenses and to finance expansion and growth.
- Looking for an alternative lender to diversify away from the banking sector and to have visibility on the market.

Security Package

- **Pledge over shares of the borrower.**
- **Security over receivables arising from commercial contracts**, with the obligation to finalize the assignment (i.e. notification to/acceptance of the assigned debtor) upon the occurrence of (1) the failure to meet the 130% debt coverage obligation to be verified on a time-by-time basis on a quarterly basis (information to be provided within 5 days after the end of each quarter) and/or (2) a breach of the financial covenants, and/or (3) the occurrence of any other default event.
- **Pledge on all company's bank accounts**, with the provision not to open additional accounts.
- **Security over receivables arising from intercompany loans.**

Deal Summary

Facility: Senior secured bond

Opening Net Leverage: 1.9x

Maturity: March 2030

Repayment: Amortizing

Interest: Euribor +6.25%

Covenants: (i) NFP/EBITDA (ii) EBIT/Interests both at single legal entity and at consolidated level

CASE STUDY – Project Light

Company Profile

Key Credit Criteria

Credit Strengths

- **Leading digital media company** specializing in sponsored restorations and integrated communication;
- **Growing underlying market;**
- **Worldwide coverage;**
- **High diversification** in terms of customers;
- **Asset Light** business model;
- **Key clients include large companies** such as **Netflix, Samsung, Trenitalia, Mercedes-Benz, Telecom, and Eni;**
- **Consolidated ability** to acquire prestigious locations in the market;
- **“Potential project”** with a large telecommunication company (more than doubling EBITDA);
- **Security package.**

Credit risks

- High plant (locations) **acquisition costs** (rent or contribution);
- **Continuous need of new locations;**
- Increased **competition** from direct competitors and TV publishers;
- **Seasonal market** for outdoor maxi screen and special projects;
- **Potential high capex and relative new debt** related to “Potential project”.



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