Tear Sheet: Rubis' €410M 2025 Senior Secured Notes

French storage company Rubis is marketing €410 million of five-year senior secured notes to repay debt incurred in the acquisition of a stake in the business and to refinance its existing debt.

A global investor call was held on Monday morning, while one-on-one calls will continue upon request until Thursday morning. Pricing is expected this week.

A capital structure prepared by Reorg can be found at the end of this tearsheet.

Debt Explained's tear sheet below is a synthesized legal and financial tool that quickly provides a concise summary of covenant capacities. In the next few hours the Reorg team will publish a detailed contextual covenant and structural analysis for investors. Please contact questions@reorg.com for an in-depth analysis.

Summary Covenant Facts

- Specified Permitted Investment basket permitting investments in Co-Controlled Joint Ventures (i.e. 50% owned by restricted group) subject to pro forma Consolidated Net Leverage Ratio not exceeding 5.5x
- Permits restricted payments to be made from proceeds of the sale of Rubis Terminal Petrol Ticaret Ve Sanayi A.Ş. ("Specified Asset Disposition Proceeds") within 12 months of the date of such disposal and pro forma Cons. Net Leverage Ratio is ≤5.5x
- No deleveraging required to make ratio-capped investments in Co-Controlled Joint Ventures, given Rubis' opening net leverage ratio of 5.5x
- Consolidated Senior Secured Net Leverage Ratio calculation will include 50% of debt held by Co-Controlled Joint Ventures (i.e. one in which the group owns 50% interest)
- 1:1 Contribution debt basket may be secured on collateral without complying with a Consolidated Senior Secured Net Leverage Ratio test

Debt Explained's lawyers will separately publish a thorough analysis of the covenants, structure and the legal loopholes in the next few hours. For regulatory reasons, this tear sheet contains only key covenant facts and basket capacities. *Please email questions@reorg.com to request a copy of the in-depth analysis.*

How Much Leverage Can Be Added over Time? *Rubis has €100 million of additional debt capacity at issue*	
Ratio Debt	2.0x Fixed Charge Coverage Ratio; which may be secured subject to pro forma Consolidated Senior Secured Net Leverage Ratio≤5.5x
Minimum Debt Capacity at Issue[1]	€100M (equivalent of 1.13x of leverage)

[1] This aggregate only takes into consideration the quantifiable baskets at issue, ignoring ratio-based and "grower" amounts (which typically match the relevant "grower"-basis at issue)

	• CF Basket Headroom - €15M • CLO/PMO - Greater of €20M and 20% Cons. EBITDA • General debt - Greater of €35M and 35% Cons. EBITDA • Management Advances - Greater of €5M and 5% Cons. EBITDA • Local Credit Facilities - Greater of €25M and 25% Cons. EBITDA
Headroom under the Credit Facility Basket at Issue	€15M
Value Extraction through Restricted Payments or Permitted Investments	
Build-Up Basket Start Date	01/04/2020
Starter Amount in the Build-Up Basket	Yes
Any Accrued Build-Up Basket Capacity	N/A
Ratio-capped baskets	• Ratio-capped Restricted Payments: 3.75x Consolidated Net Leverage Ratio - 0.0x headroom based on 5.5x leverage marketed in the deal • Ratio-capped RPs from Specified Asset Disposition: 5.5x Consolidated Net Leverage Ratio - 0.0x headroom based on 5.5x leverage marketed in the deal • Ratio-capped Permitted Investment in Co-Controlled Joint Venture*:* 5.5x Consolidated Net Leverage Ratio - 0.0x headroom based on 5.5x leverage marketed in the deal
Minimum Restricted Payments (payments to equity)	€87M (0.99x of leverage) • Equity Repurchases - €15M(Greater of €2.5M and 2.5% Cons. EBITDA/calendar year, and IPO event increase with the greater of €5M and 5% of Cons. EBITDA per calendar year) • Parent Expenses- €12M(Greater of €2m and 2% Cons. EBITDA/FY) • Permitted Holder fees- €18M (Greater of €3M and 3% Cons. EBITDA/FY) • Advances or loans to officer, director, employee/ or any management equity plan or stock option plan- €12M (€2M/calendar year) • General RPs- Greater of €30M and 30% of Cons. EBITDA
Minimum Permitted Investments at Issue	€105M (1.19x of leverage)
Risk of Value Leakage from Asset Sales proceeds	
Can Asset Sale proceeds create Restricted Payments capacity?	Yes, proceeds from the sale of Rubis Terminal Petrol Ticaret Ve Sanayi A.Ş. (“Specified Asset Disposition Proceeds”) may be used for RPs (subject to CNLR<5.5x) within 12 months of date of consummation of transaction

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Risk of Effectively Senior Debt (Secured on non-Collateral)	
Ratio-capped Permitted Liens	N/A
Minimum Permitted Liens at Issue	€80M (0.91x of leverage) ● PMO/ CLO - Greater of €20M and 20% Cons. EBITDA ● Local Credit Facilities - Greater of €25M and 25% Cons. EBITDA ● General Permitted Liens - Greater of €35M and 35% Cons. EBITDA
Risk of Collateral Dilution	
Ratio-capped Permitted Collateral Liens	N/A
Minimum Permitted Collateral Liens at Issue	€70M (0.79x of leverage) ● CF Basket Headroom - €15M ● PMO/ CLO basket (other than CLO) - Greater of €20M and 20% Cons. EBITDA ● General Debt - Greater of €35M and 35% Cons. EBITDA
Minimum Permitted Super Senior Collateral Liens	Greater of €90M and 90% of Consolidated EBITDA (1.02x of leverage) ● Credit Facility debt and certain uncapped priority hedging obligations
Portability	
Portability	N/A
Portability Ratio test	N/A
Cost Savings/Synergies Adjustments	
Are Cost Savings / Synergies capped?	No
Any time horizon for Cost Savings / Synergies to be realised?	No time limit
Cost Savings / Synergies limited to certain contexts	Investment and/or Acquisition
Credit Support	
Guarantor Coverage on Issue	● 76.4% of EBITDA: Represent, Group's recurring EBITDA net of intercompany eliminations and includes the Issuer
Security Coverage	Comprised of first ranking security over shares, bank accounts and intercompany loan receivables of the Issuer and Guarantors, except for Rubis Terminal B.V., in respect of which the same classes of asset security will be granted, but on a second lien basis

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Covenant Outliers	
Deal Outliers	• 50% of the notes are required to be outstanding after an equity claw redemption of 40% of the Notes • 10% of the notes may be redeemed at 103%, each calendar year, during the non-call period • Limited Condition Acquisition provisions are present which extend to other transactions like acquisitions and investments

A capital structure, prepared by Reorg's financial analysts, can be found on the following page.

Rubis								
(EUR in Millions)	12/31/2019 Amount	Price	Mkt. Val.	Maturity	Rate	Yield	EBITDA Multiple Book	Market
New €75M Revolving Credit Facility Agreement [1]	-		-		E + 3.250%			
Total Super Senior Debt	-		-					
ABN AMRO Credit Facility Agreement	60.7		60.7					
Total First Lien Rubis Terminal B.V. Debt	**60.7**		**60.7**				**0.7x**	**0.7x**
Crédit Lyonnais Credit Facility Agreement 2	17.8		17.8					
French Credit Institutions Loan Agreements [3]	0.8		0.8					
French Credit Institutions Loan Agreements [4]	7.7		7.7					
Total Structurally Senior OpCo Debt	**26.3**		**26.3**				**1.0x**	**1.0x**
€410M Senior Secured Notes due 2025	410.0		410.0	2025				
Total Senior Secured Debt	**410.0**		**410.0**				**5.6x**	**5.6x**
French Credit Institutions Loan Agreements [5]	4.3		4.3					
Total Other Debt	**4.3**		**4.3**				**5.7x**	**5.7x**
IFRS 16 Lease Liability [6]	59.8		59.8					
Total IFRS 16 Leases	**59.8**		**59.8**				**6.4x**	**6.4x**
Total Debt	**561.1**		**561.1**				**6.4x**	**6.4x**
Less: Cash and Equivalents	(14.0)		(14.0)					
Net Debt	**547.1**		**547.1**				**6.2x**	**6.2x**
Operating Metrics								
LTM Revenue	305.8							
LTM Reported EBITDA	88.3							
Liquidity								
RCF Commitments	75.0							
Less: Drawn	-							
Plus: Cash and Equivalents	14.0							
Total Liquidity	**89.0**							
Credit Metrics								
Gross Leverage	6.4x							
Net Leverage	6.2x							

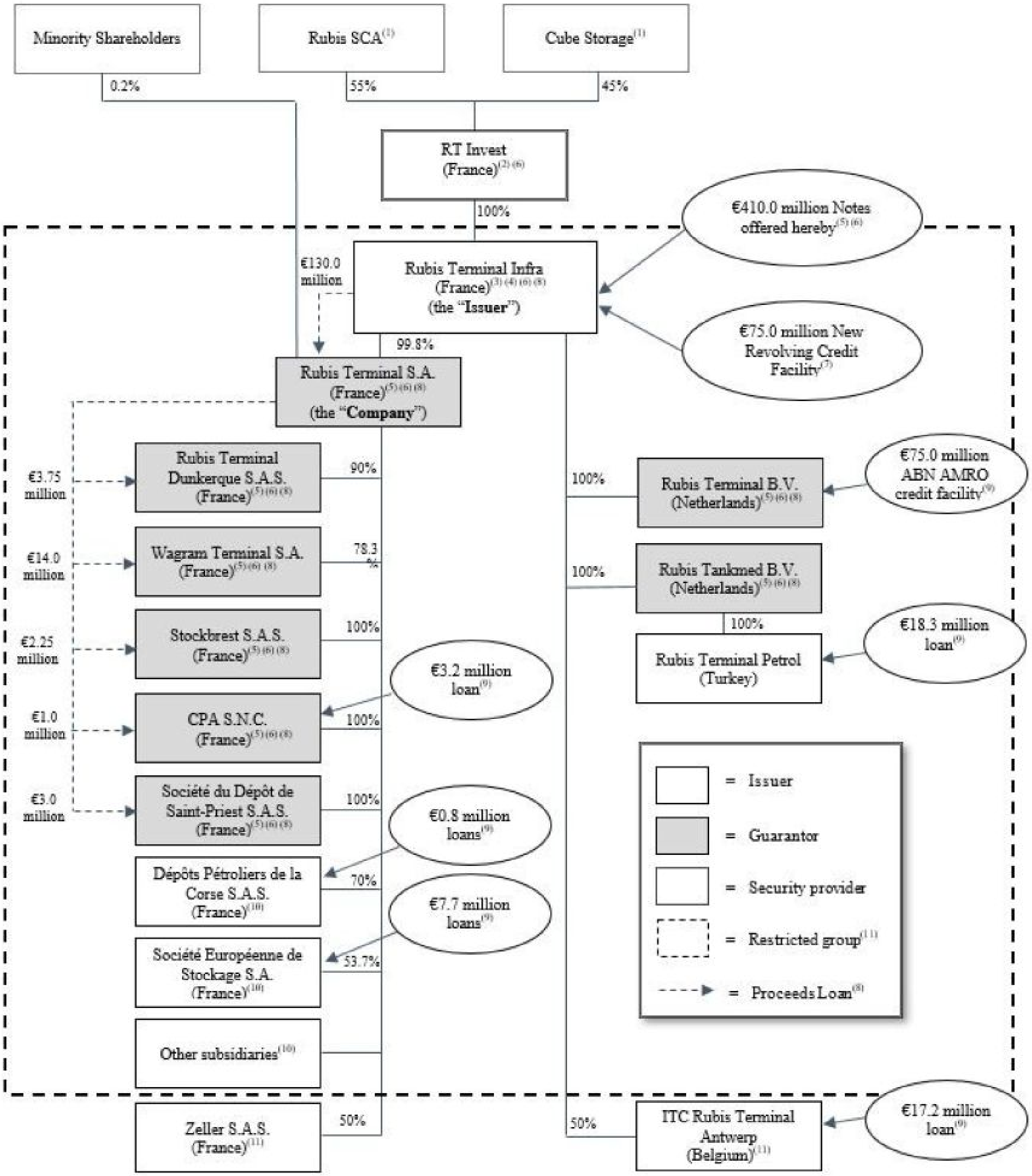
Notes:

Capital structure pro forma for the issuance of the 2025 notes.

1. On April 30, 2020, the issuer entered into the New Revolving Credit Facility Agreement. The New Revolving Credit Facility Agreement provides for a super senior revolving credit facility in a principal amount of €75.0 million. Loans under the New Revolving Credit Facility initially bear interest at rates per annum equal to EURIBOR (or, if applicable, €STR plus 0.085%), or for loans denominated other than in Euro, LIBOR, plus an applicable margin of 3.25 per cent. per annum, which in each case will be subject to a margin ratchet based on the ratio of consolidated senior secured net debt to Consolidated EBITDA. The New Revolving Credit Facility Agreement includes a financial covenant requiring the Consolidated Senior Secured Net Leverage Ratio not to exceed 8.5:1. The covenant is tested quarterly on a rolling basis, subject to the aggregate amount of the outstanding loans under the New Revolving Credit Facility being greater than 40% of the total commitments under the New Revolving Credit Facility on the relevant test date. The New Revolving Credit Facility will mature six years and six months after the Completion Date and the date which is six months before the final maturity date of the Notes.
2. Owed by Rubis Terminal Petrol.
3. Owed by Dépôts Pétroliers de la Corse.
4. Owed by Société Européenne de Stockage.
5. Owed by CPA S.N.C.
6. Positive Impact on EBITDA is €5.5M.

Debt Explained's lawyers will separately publish a thorough analysis of the covenants, structure and the legal loopholes in the next few hours. For regulatory reasons, this tear sheet contains only key covenant facts and basket capacities.

The company's corporate structure is below:



(Click [HERE](#) to expand)

Debt Explained's lawyers will separately publish a thorough analysis of the covenants, structure and the legal loopholes in the next few hours. For regulatory reasons, this tear sheet contains only key covenant facts and basic capacities.

Please contact Reorg at questions@reorg.com if you wish to speak to the lawyer or credit analyst who prepared the above tear sheet for you. We actively welcome your questions and feedback.

Reorg will also publish an in-depth covenant report and credit analysis tear sheet on this bond. We are happy to share our comprehensive legal and financial analysis with you, just email questions@reorg.com for a copy.

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