



empark



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# EMPARK – SNAPSHOT



## What is Empark?

- Empark is the leader in the Iberian parking infrastructure concessions market by more than double the size of its closest competitor in Spain by revenue and number of parking spaces
- Empark operates a consolidated diversified portfolio of more than 300 concessions in off-street and on-street, in more than 120 municipalities
- The company has 3 divisions: Off-street (Concessions), On-street and Off-street (Contract Management)
- The off-street business represents 78.6% of LTM September 2013 Adjusted EBITDA and is based on long term concessions with a remaining life of approximately 28 years<sup>1</sup>
- Spanish operations represents approximately 80% of Adjusted Revenues and approximately 73% of Adjusted EBITDA
- The company has proven resilient throughout the current economic cycle

## Key figures<sup>2</sup>

	 Off-street (Concessions)	 On-street	 Off-street (Contract Management)	Total
<b>Adj. Revenues</b>	€83.6mm	€74.1mm	€22.7mm	<b>€180.4mm</b>
<b>Adj. EBITDA</b>	€49.0mm	€13.8mm	€(0.4)mm	<b>€62.4mm<sup>3</sup></b>
<b>% margin</b>	58.6%	18.6%	(1.8)%	<b>34.6%</b>
<b># spaces</b>	88,815	215,633	64,217	<b>396,436<sup>4</sup></b>
<b>Length<sup>1</sup></b>	28 years	7 years	1 year	
<b># concessions</b>	172	139		<b>311</b>
<b># municipalities</b>	76	125		
<b>Adjusted EBITDA</b>	 78.6%	 22.1%	 (0.6)%	

Source: Company information, DBK Sectores: Aparcamientos (Spain and Portugal), March 2013

Note: Operational data as of September 2013

<sup>1</sup> Average period of time remaining on our concessions and contracts, weighted by the contribution each concession or contract has made to our margin (revenue less direct costs) for the year ended December 31, 2012

<sup>2</sup> Financials as of LTM September 2013

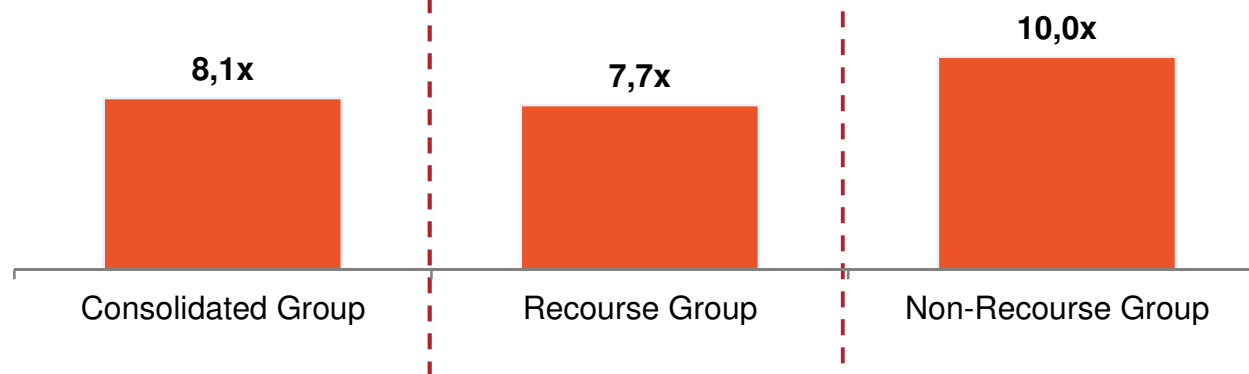
<sup>3</sup> Adjusted EBITDA excluding Calle Sevilla of €59.7mm

<sup>4</sup> Including 27,771 residents car parking spaces

## REFINANCING THE RECOURSE DEBT

Pro-forma LTM Sep-13 – €mm	Consolidated Group	Recourse Group	Non-Recourse Group
Gross debt	515.5	413.3	102.2
Cash	(11.2)	(4.7)	(6.5)
Net debt	504.3	408.6	95.7
Adjusted EBITDA <sup>1</sup>	62.4	52.8	9.6

Pro-forma Net debt /  
LTM Sep-13 Adjusted EBITDA



<sup>1</sup>Adjusted EBITDA is a non-IFRS measure and should not be considered as an alternative measure to accounting measures under IFRS

# SENIOR SECURED NOTES SUMMARY TERMS AND CONDITIONS



## Summary Illustrative Key Terms and Conditions

<b>Issuer</b>	Empark Funding S.A.	
<b>Instrument</b>	Fixed Rate Notes	Floating Rate Notes
<b>Amount</b>	€235 million	€150 million
<b>Distribution</b>	144A/Reg S, no reg rights	
<b>Issue</b>	Senior Secured Notes	
<b>Use of proceeds</b>	Refinance existing indebtedness	
<b>Ranking</b>	Senior debt (RCF to be super senior)	
<b>Guarantors</b>	Senior guarantees from main entities in the recourse group	
<b>Security</b>	Shares in Empark and key subsidiaries, bank accounts, intercompany receivables and credit rights over the off-street concession agreements	
<b>Maturity</b>	6 years	6 years
<b>Optional redemption</b>	NC3	NC1
<b>Equity claw</b>	Up to 35% of issue of Fixed Rate Notes to be repaid from equity offering at par plus coupon	
<b>Mandatory redemption</b>	None prior to maturity except in the event of a "Change of Control" requiring an offer to purchase the Notes at 101% of par plus accrued interest to the purchase date	
<b>Certain covenants</b>	The indenture will contain certain incurrence-type covenants customary for a transaction of this type, including <ul style="list-style-type: none"> <li>✓ Limitation on additional indebtedness</li> <li>✓ Limitation on restricted payments/related party transactions</li> <li>✓ Limitations on asset sales</li> <li>✓ Limitation on liens</li> </ul>	
<b>Governing law</b>	New York law	

# REFINANCING ALTERNATIVES EXPLORED

## BANK DEBT

- Project financing
- Leverage financing
- Mix of both separating by business line
- General corporate purposes

## CAPITAL MARKETS

- HY Senior Secured bond (Pre-IPO convertible bond)
- Retail bonds
- Combining the HY and the Banks
- Securitization

## FUNDS/INVESTORS

- Sale & lease back
- Direct lending
- Private placement

## CLOSER TO EQUITY

- Subordinated debt
- Preferred equity

**Banking vs.  
Non Banking  
Alternatives**

# PROS AND CONS OF HY BONDS VS. BANK FINANCING

## Pros

- Bullet Amortization
- Incurrence Covenants
- Flexibility in General (CoC, Indebtness, etc)
- Debt Capacity in the Market
- Quick access to new needs
- Presence in Capital Markets
- Ability to combine with super senior RCF and hedging

## Cons

- Pricing (visibility)
- Pricing (actual yield)
- No waiver allowance
- Private placement (different players)
- Rating requested
- Market volatility
- Heavy documentation
- Legal costs

# PROCESS: COMMENTS AND TAKE AWAYS

## 1. HY Decision

- Market: difficult to read for first time issuers
- This is not a cheap solution (neither issuance costs nor yields)
- Volatility/Timing
- Set up your own criteria

## 2. Process

- Bank: choose the right team (different skills)
- Rating agencies: Devote as much time as needed to the rating agencies (explain the business in as much detail as required, insist on the key matters until they understand them, site visit, etc)
- Lawyers: complex process from a legal point of view they can make your life much easier/complex

## PROCESS: COMMENTS AND TAKE AWAYS

### 3. Investors and Road Show

- Build the credit story
- Anticipate their questions and prepare them
- Reply precisely, concisely and within a short time frame
- Be clear in the explanation, know the numbers
- Do not give complex answers, simplify where needed (didactically)
- Reply on a structured manner, following a logic
- Make the best use of the time you have
- The figures have to be derived from the mercantile accounting
- Make sure they understand the key credit points
- Management team needs to transmit credibility