

# **Gasán Finance Company p.l.c.**

## **Bonds 2019/2021**

Presentation to Intermediaries

24<sup>th</sup> October 2013



**Gasán Finance Company p.l.c.**

**GASAN**  
GROUP OF COMPANIES

# **GASAN FINANCE COMPANY P.L.C.**

# GFC – An overview

- Incorporated in 1994
- Fully owned subsidiary of Gasan Group Ltd
- Company organisation:
  - **Directors: Joseph A Gasan, Roderick Chalmers, Mark Gasan, Anthony Curmi, Michael Soler, Juan de Battista**
  - **Audit Committee: Roderick Chalmers, Michael Soler, Juan de Battista**
  - **Company Secretary: Geoffrey Camilleri**
- GFCL activities:
  - **Investment Properties – leased to Group companies and third parties**
  - **Group Treasury Function - raises financial resources and advances loans to Group companies**



# Gasán Finance Company plc: Regular participation in the capital market

- **2013 November – Sixth issue**  
**€25 million 4.9% Bonds 2019/21**
- 2009 April – Fifth issue  
€20 million 6.0% Bonds 2014/16
- 2003 October – Fourth issue  
Lm5 million 6.4% Bonds 2008/11
- 1999 April – Second & Third issues  
Lm3.5 million 6.15% Bonds 2003/4  
Lm3.5 million 6.5% Bonds 2006/9
- 1994 September – First private issue on the MSE  
Lm3 million 6.5% Bonds 1998/9



# GFC – Financial information

## Statement of comprehensive income

### Extract - for the year

	2010	2011	2012	2013	2014
	€ 000	€ 000	€ 000	Forecast € 000	Projected € 000
Income:					
- Rental income	1,624	1,636	1,649	1,651	1,708
- Interest receivable	1,388	1,674	1,714	1,720	2,104
- Bills interest receivable	254	27	72	134	60
Interest payable	(1,492)	(1,497)	(1,497)	(1,512)	(1,624)
Other costs	(244)	(341)	(272)	(380)	(245)
Changes in fair value	0	0	2,660	0	0
<b>Profit before tax</b>	<b><u>1,530</u></b>	<b><u>1,499</u></b>	<b><u>4,326</u></b>	<b><u>1,613</u></b>	<b><u>2,003</u></b>
<b>Interest cover</b>	<b>2.03</b>	<b>2.00</b>	<b>2.11</b>	<b>2.07</b>	<b>2.23</b>

# GFC – Financial information

<b>Comparables - Finance Companies listed on MSE</b>	<b>2011</b>	<b>2012</b>
<i>Interest Coverage Ratios</i>	Actual	Actual
GASAN FINANCE COMPANY p.l.c.	2.00x	2.11x
CORINTHIA FINANCE plc	1.01x	1.01x
EDEN FINANCE P.L.C.	1.04x	1.03x
MIZZI ORGANISATION FINANCE p.l.c.	1.01x	1.00x
TUMAS INVESTMENTS p.l.c.	1.01x	1.01x
UNITED FINANCE p.l.c.	1.02x	1.01x

*Source: Annual reports; Curmi & Partners*

# GFC – Financial information

## Statement of financial position

### Extract - at 31st December

	2010	2011	2012	2013	2014
	€ 000	€ 000	€ 000	Forecast € 000	Projected € 000
Shareholders funds	19,466	20,513	24,022	22,149	23,540
Bonds outstanding	19,677	19,772	19,866	29,544	24,600
Bank loan	7,687	7,687	6,918	6,149	5,381
Other liabilities	3,824	4,136	4,732	4,921	4,807
<b>Equity and liabilities</b>	<b>50,654</b>	<b>52,108</b>	<b>55,538</b>	<b>62,763</b>	<b>58,328</b>
Investment property	29,820	29,840	32,500	32,500	32,500
Trade and other receivables	20,834	22,268	23,038	30,263	25,828
<b>Capital employed</b>	<b>50,654</b>	<b>52,108</b>	<b>55,538</b>	<b>62,763</b>	<b>58,328</b>

<b>Assets as a % of borrowings</b>	<b>109.8%</b>	<b>111.8%</b>	<b>127.6%</b>	<b>111.8%</b>	<b>108.4%</b>
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*(investment property and bills of exchange /  
total borrowings)*

<b>Gearing ratio</b>	<b>58.4%</b>	<b>57.2%</b>	<b>52.7%</b>	<b>61.7%</b>	<b>56.0%</b>
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*(total debt / total debt + shareholders equity)*



# Summary of the Bond Issue

- **Issuer:** Gasan Finance Company plc
- **Form:** Min of €1,000 and integral multiples of €100
- **Principal Amount:** €25m
- **Commission Rate:** 1%
- **Currency:** Euro
- **Allotment Preference:**
  - GFC Bondholders 2014/16 (maximum €20 million)
  - Directors & employees (maximum €1 million)
- **Coupon Rate:** 4.9%
- **Issue Price:** At par
- **Redemption:** between 30/11/2019 and 30/11/2021





# Use of proceeds

- In respect of the €20 million 2014/16 Bonds:
  - For the Bond Exchange Programme on 30<sup>th</sup> November 2013
  - Following the Bond Exchange Programme, to redeem any outstanding bonds on 31<sup>st</sup> May 2014
- The balance will be used for the purpose of the Group's general funding.



# Negative pledge

- A negative pledge not to create any Security Interest, other than a Permitted Security Interest as defined in the Prospectus [Securities Note, section 11.3, Status and Negative Pledge].
- Re. Permitted Security Interest, a covenant that assets less secured liabilities should be greater than 105% of amount of bonds outstanding.



# Expected timetable - 2013

- Application Forms mailed to Preferred Applicants 25 October
- Opening of Preferred Applicants Offer Period 28 October
- Application Forms available 1 November
- Closing of Preferred Applicants Offer Period 14 November
- Opening of Public Offer Period 18 November
- Closing of Public Offer Period 21 November
- Announcement of basis of acceptance 28 November
- Dispatch of allot. advices & refunds of unallocated monies 4 December
- Admission to trading and commencement of interest 5 December



# Applications

- Preference to existing bond-holders through Bond Exchange Programme and additional applications
  - **Maximum amount allocated: €20 million**
  - **Minimum per application: €1,000**
- Preference to directors and employees of the Group
  - **Maximum amount allocated is €1 million.**
  - **Minimum per application: €1,000**
- Applications will be received from the general public for €25 million less the applications received from the Preferred Applicants
  - **Minimum per application: €1,000**
- **There will be separate application forms (with different colour bands) for each of the three category of applicants.**



# **GASAN GROUP**

# Gasas Group - history

- 1920s – Late Joe Gasan operated Malta's first regular mail and passenger service.
- 1928 – Joe Gasan became local distributor of Ford vehicles, appointed by Ford Motor Company USA.
- 1933 – Gasan took over the bus service between Valletta, Sliema and St. Julians.
- 1939-45 – 24/7 repair of British lorries, trucks, jeeps and engines of the Hurricane and Spitfire aircraft during World War II.
- 1945 – Acquired the contract to run the Gozo to Malta ferry service and commenced property investments.



# Gasan Group - history

- 1970 – Joseph Gasan took over from his father, who still acted as Chairman till 1976, when he passed away.
- 1973 – Acquired the Mazda & Yamaha Franchises.
- 1975 – Formed Gasan Insurance Agency.
- 1980s & 1990s – Acquired the Volvo and Jaguar Brands.
- 1980s & 1990s – Set up Mekanika and Melita.
- 2000s – Joseph's sons – David and Mark – join the business.
- 2000s – Acquired Kone, Panasonic & Samsung Brands for Mekanika.



# Gasan Group - history

- 2000s – Developed two Shopping Malls in Valletta and Paola of 20,000 sq. meters, including six cinema theatres.
- 2001 – Moved to new state-of-the-art premises in Mriehel.
- 2003 – Formed GasanMamo Insurance Limited.
- 2007 – Sold Melita Group for Eur167.5 million.
- 2008 – Acquired Mazda and Volvo brands exclusively for Libya.
- 2012 – Merged Automotive and Marine operation with Zammit Group.





# Gasan Group Automotive & Marine

- GasanZammit Motors Ltd is a joint venture company (Gasan: 65.48%; Zammit 34.52%) between two legacy firms in the Automotive & Marine business in Malta; it sets standards within its industry with a portfolio of world renowned brands namely:



- The Gasan Centre in Mriehel houses showrooms for new cars, motorcycles and marine products. Supporting this impressive 'frontline' is a fully equipped, state-of-the-art Vehicle Service Centre, a Body and Spray Shop and Parts Department.

# Gasan Group Insurance & Finance

- The Gasan Group's Insurance Division, GasanMamo Insurance, is a leading player in the Maltese Non-Life Insurance Market. Since its establishment as an insurance company in 2003, GasanMamo Insurance has continued to develop and grow, expanding its product range and distribution channels. Apart from its Head Office in Gzira, it has ten strategically located branches throughout Malta. The Company has two Agents, one in Malta and one in Cyprus.
- Gasan Finance Company p.l.c. – the Issuer



Gasan Finance Company p.l.c.

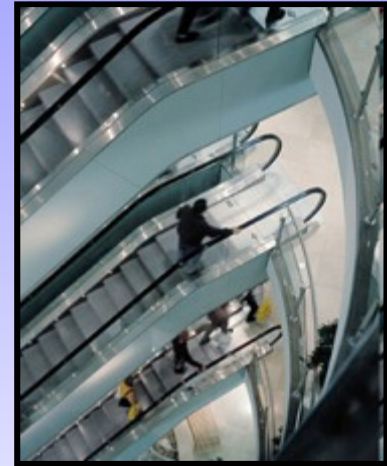
# Gasan Group Property

- The Gasan Group is a key player within a number of the Islands' largest and most prestigious property developments, as well as a highly respected partner in several consortia undertaking major development projects.
- The property portfolio has extended and diversified over the past three decades. It seeks to maximise investments by providing a mix of commercial and residential developments in line with Malta's social, environmental and commercial needs.
- The Property Division's primary role includes the sourcing of sites, concept development and the issuing of tenders and contracts, as well as project management, sales and property management.



# Gasan Group Engineering

- Mekanika is Malta's leader in electrical, mechanical, heating and ventilation systems, specialized extra low voltage systems as well as lifts and escalators.
- Its dynamic portfolio of products includes KONE lifts and escalators, Panasonic air-conditioners and Ziton fire alarm and security systems. Additionally, Mekanika supplies building management systems, facilities management and a variety of industrial products.
- Offering a range of products, services and top international brands, Mekanika has made its mark on the industry by ensuring quality products and reliable customer service to both residential and commercial clients, and endeavors to be at the forefront of innovative and environmentally sustainable technology.



# Gasas Group

## Other investments

Aside from its core business industries, the Gasas Group has also invested in a number of different sectors, both locally and internationally, including:

- a 12% holding in a restructured Melita Group, a quadruple player in media and communications in Malta and 2% holding in GTS, a company that provides telecommunication services in five EU countries in the central and eastern European region.
- a 50% holding in the Chemimart Group, a leading importer and retailer of pharmaceutical, toiletries and beauty products.
- a very important parcel of land on the island of Comino, overlooking two private serene and beautiful bays. An ambitious development plan is currently being studied to take this unique site up-market.
- MIDI - the €450 million, 44 hectare Manoel Island and Tigné Point development. The project includes the restoration of some of the most important historical monuments in the North Harbour area. Tigné Point is centred in a 2,500m<sup>2</sup> piazza, surrounded by some 420 residential apartments, a state-of-the-art business centre and 17,000m<sup>2</sup> of retail and leisure space.

# Our commitment to the local economy

- More than 400 employees
- Diversification of funding sources
- Transparency in financial information and high standards of corporate governance
- Corporate social responsibility
- Third generation of Gasan family projecting the business into the future

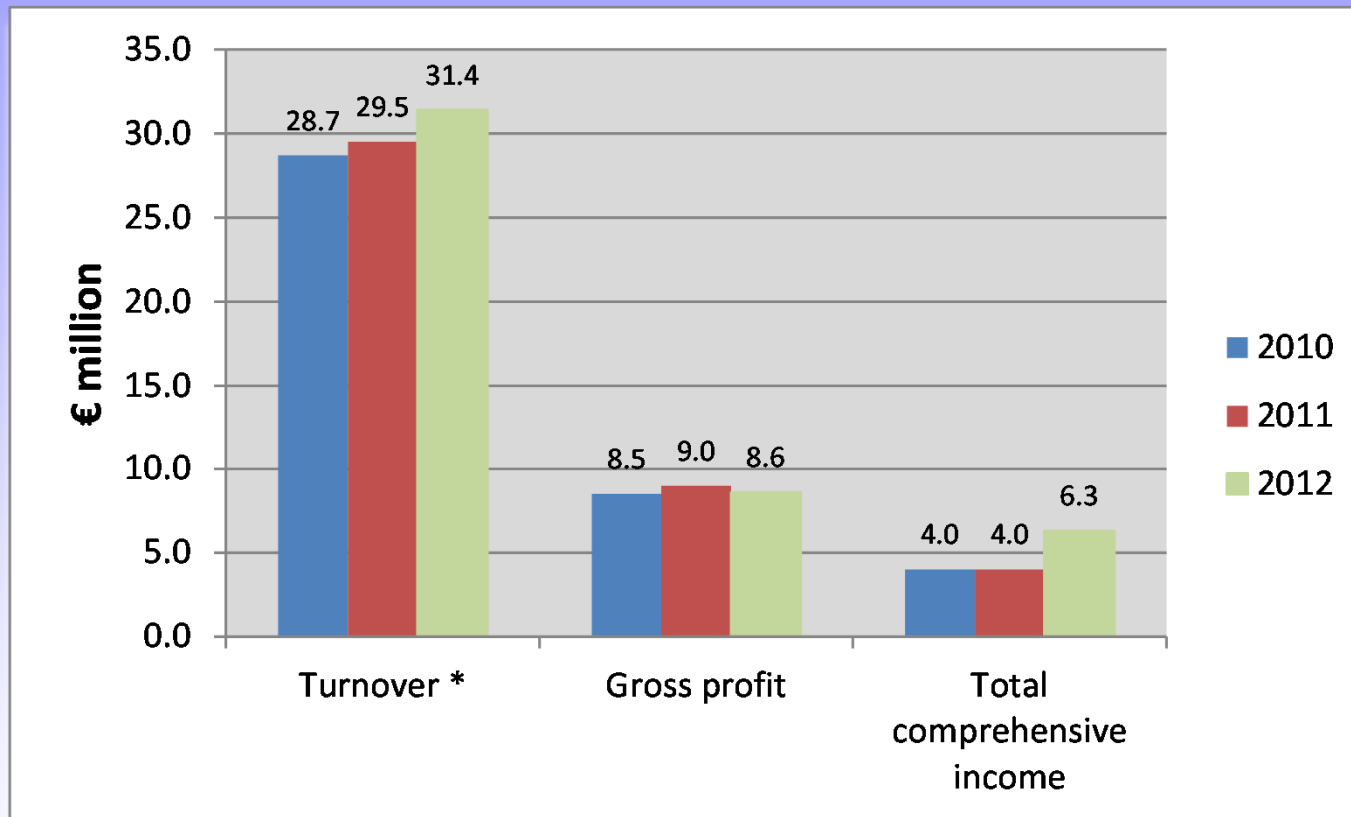


# Future prospects

- Internationalisation of Automotive business
- Insurance market penetration
- Expansion of Engineering business
- On going Property development plans
- Constantly evaluating new investment opportunities



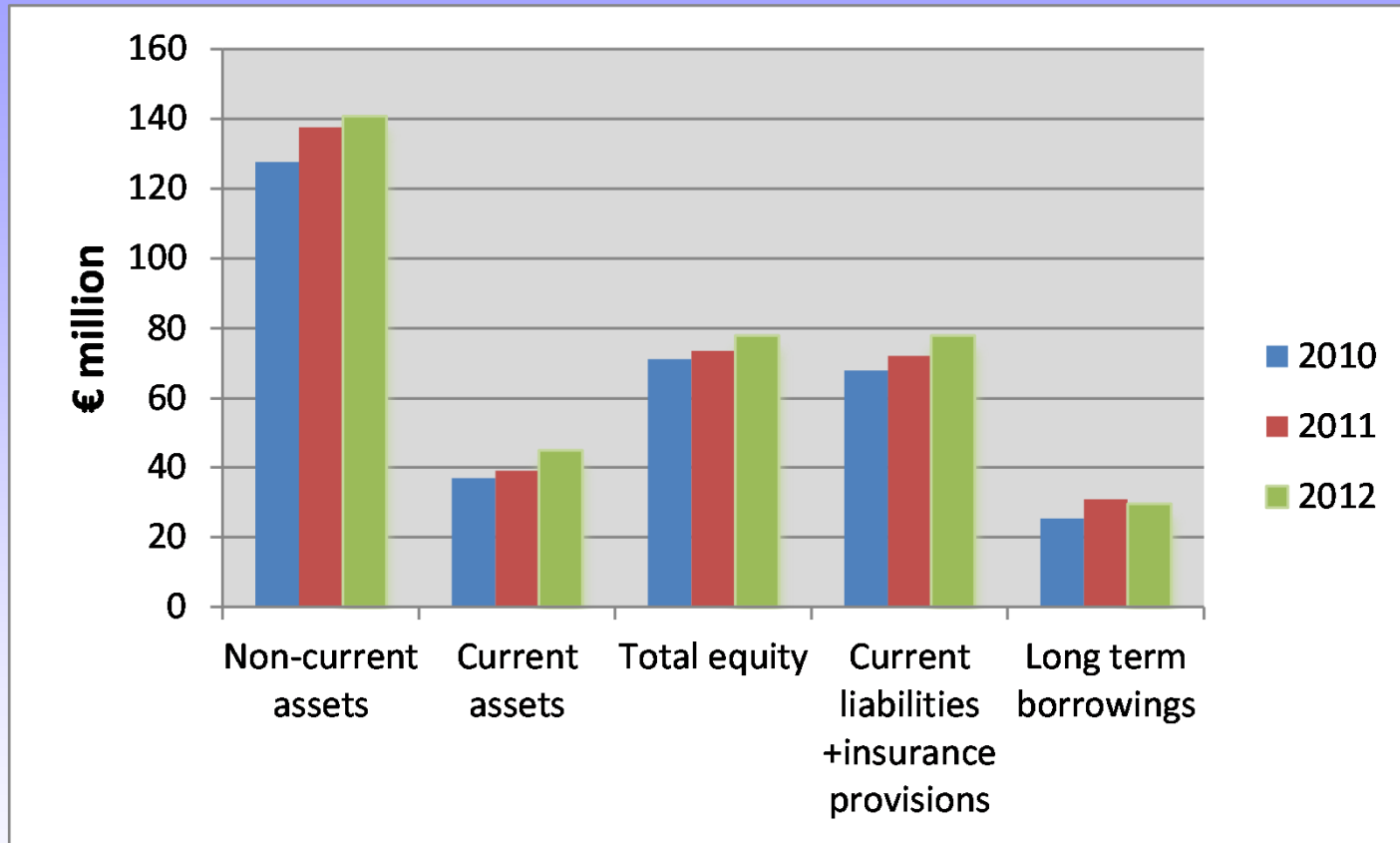
# Gasan Group: Financial information



\* Turnover excludes premium earned from the insurance operation.



# Gasan Group: Financial information



	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>Gearing</b>	<b>41.5%</b>	<b>43.7%</b>	<b>42.2%</b>
<i>Total debt / total debt + equity</i>			

# Question Time

