



FACT SHEET

€23 million 5.35% Hal Mann Vella Group plc Secured Bonds 2031-34

KEY DETAILS

Issuer:	Hal Mann Vella Group plc	Listing:	Official List, Malta Stock Exchange
Amount Offered:	€23 million	Issue Price:	100% (par value of €100)
Coupon:	5.35%	Complex:	Yes (Callable)
Status:	Secured	Maturity Date:	26 July 2034
Interest Payment Date:	Annually on 26 July (first interest payment date being 26 July 2025)	Early Redemption Dates:	Any date falling between 26 July 2031 to 25 July 2034
Exchangeable Bond Transfer Period:	8 July to 19 July 2024 at noon	Minimum Subscription Amount	Multiples of €100

The bonds are **COMPLEX** instruments in view of their callability feature. Accordingly, they are only appropriate and/or suitable for investors who have the knowledge and experience to understand the risks that are specifically related to this type of financial instrument.

ABOUT HAL MANN VELLA GROUP PLC

Hal Mann Vella Group plc ('Hal Mann' or 'the Group') is the parent and holding company of several subsidiaries which are involved in three operating segments:

- **'Manufacturing, Products, and General Contracting Services'** is the Group's principal operating activity which contributed to between 76% and 86% of the annual revenue over the past five years. Hal Mann is a leading provider of a variety of stone, marble, granite, terrazzo, tiles, and pre-cast elements. The Group also provides general contracting services related to its product offering to both corporate and private clients. Hal Mann currently operates two manufacturing plants located in Lija and Hal Far, a logistics and distribution hub located in Hal Far, and a showroom located in Lija. In 2021, the Group leased another plot of land measuring over 8,000 sqm adjacent to the Hal Far factory to extend its operational footprint and introduce a new range of products. Hal Mann is currently undertaking a €7 million investment including the building infrastructure of the new factory, refurbishment and digitalisation of existing machinery. The investment is aimed at improving efficiency and enabling the production of new products. The expansion project is expected to be completed in 2024.
- **'Property Development'** involves the acquisition, development, and sale of residential properties in Malta. After having completed and sold a number of residential projects, Hal Mann is currently involved in several development projects as detailed below:

Location	Progress	Total No. of Residential Units	No. of Units Sold / Subject to Promise of Sale Agreement
Imgarr 1	Completed	10	10
Imgarr 2	Completed	3	3
Kappara	Completed	4	4
Attard	Under Construction	5	N.A.
Ghajnsielem (Gozo)	Under Construction	6	N.A.
St Venera	Pending application to increase units to 46	29 + 2 commercial	N.A.

Over and above these projects, a villa at Madliena owned by Hal Mann is also on a promise of sale agreement and holds a carrying value of €2.5 million. The Group also owns a land for development at Imgarr measuring approximately 855 square metres, valued at €0.98 million.

- **'Rental Activities'** comprise the income generated from a number of residential and commercial properties as described below:



Location	Property Name	Lease Terms	Approximate Size (sqm)	Current Use
Lija	E-Pantar	Leased to Transport Malta for 10 years as from Q3 2017.	5,256	Offices and parking facilities
Lija	NAVI Building* ¹	Leased to third parties	1,200	Offices, parking facilities & warehouse
Lija	Site A Offices	Leased to third parties	1,000	1,000 sqm site
St. Paul's Bay	Mavina Holiday Complex	Leased to third parties	1,550	66-room hotel complex. On promise of sale, to be sold for €7 million.
St. Paul's Bay	Huli Aparthotel	Leased to third parties	425	Hotel
St. Julian's	Spinola Residence	Long Lets	N.A.	3 apartments & 5 car spaces
Valletta	Merchant Suits* ²	Leased to third party	145	18-room boutique hotel & restaurant
Valletta	Building at Old Bakery Street	Leased to a Government entity	210	Offices

*¹ 50% ownership

*² Held through a temporary emphyteusis expiring in 2037.

RISK FACTORS

The Issuer and its subsidiaries are subject to a number of risks pertaining to the nature of their businesses. Prospective investors are urged to read the 'Risk Factors' found in the Prospectus dated 28 June 2024.

Prospective investors must also note that since the financial forecasts and the assumptions on which they are based relate to the future, they may be affected by unforeseen events. As such, the variation between forecasts, projections and actual results may be material.

USE OF PROCEEDS & PLAN OF DISTRIBUTION

The new bond issue is being made available to Hal Mann Vella Group plc bondholders as at close of trading on 21 June 2024 through an Exchange Offer, through which holders of the 5.0% secured bonds maturing on 6 November 2024 have the option of surrendering all or part of the maturing bonds in exchange for an equivalent number of the new bonds. Any balances not subscribed by existing bondholders will be available through an Intermediaries' Offer.

Through the new bond issue, Hal Mann will part-refinance the existing €30 million in outstanding bonds due for redemption on 6 November 2024, while the remaining balance is expected to be refinanced through bank borrowings.

RANKING OF THE BONDS

The Bonds will constitute the general, direct, unconditional, and secured obligations of the Issuer, and shall rank pari passu between themselves. The Bonds will be secured by a first-ranking special hypothec for the full nominal value of the secured bonds and interest thereon over the Hypothecated Property which comprises 'Site A' and 'Site B' within the Hal Mann Lija Property measuring a total of 18,300 square metres and include the Lija Factory as well as an undeveloped site measuring around 855 square metres located at Imgarr.

Moreover, bondholders will be granted a second-ranking general hypothec (which will become first-ranking following the redemption of the bonds maturing in 6 November 2024) for the full nominal value of the secured bonds and interest thereon over all the present and future property of the Issuer. The security package also includes the Pledge of Insurances.

APPLICATION PROCEDURE

Bondholders of the maturing 5.00% Hal Mann Vella Group plc secured bonds 2024 are kindly asked to complete the Application Form 'A' being sent to them directly by Hal Mann Vella Group plc.

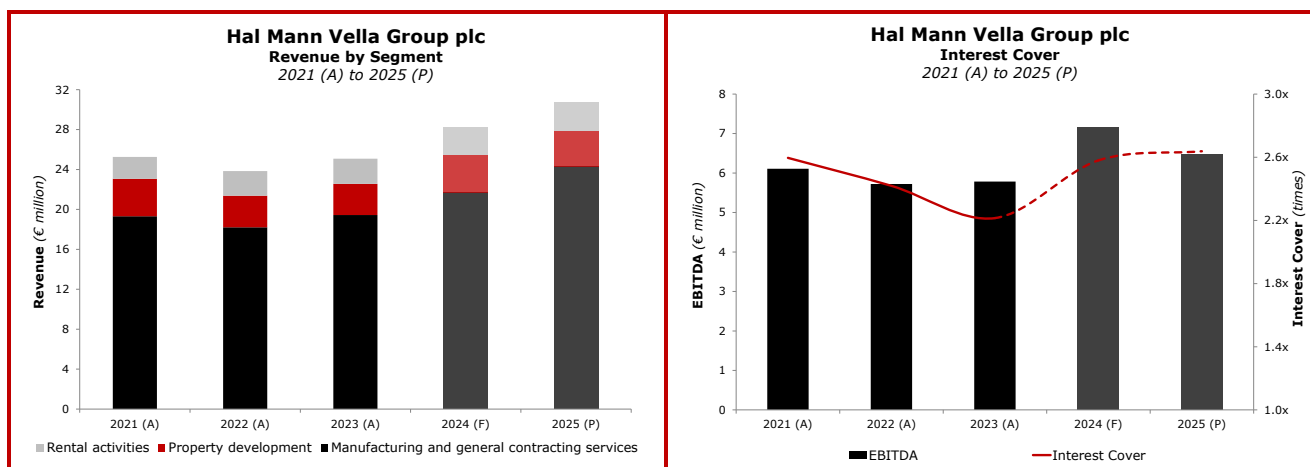
The forms should be returned to us by Friday 19 July 2024 at the latest together with a duly completed and signed 'Assessment & Confirmation Form'. **No minimum subscription amount or cash top ups are applicable.**

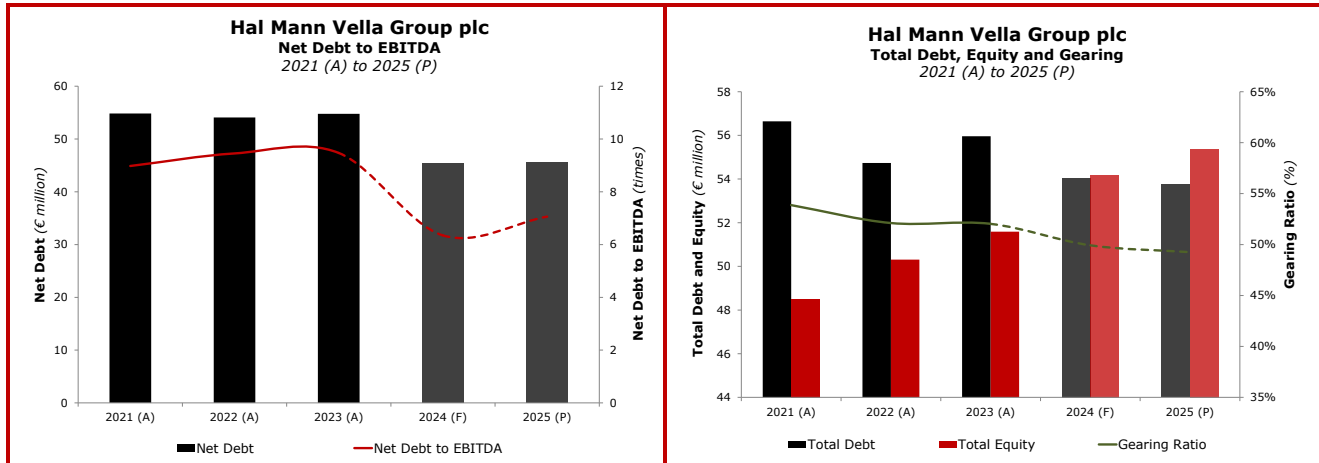


KEY FINANCIAL HIGHLIGHTS & METRICS

	2021 (A)	2022 (A)	2023(A)	2024 (F)	2025 (P)
Manufacturing, Products & Contracting Services (€000)	19,321	18,215	19,438	21,710	24,294
Property Development (€000)	3,750	3,163	3,119	3,734	3,576
Rental Activities (€000)	2,189	2,468	2,526	2,787	2,837
Revenue (€000)	25,260	23,846	25,083	28,231	30,707
Other Operating Income (€000)	889	620	663	1,111	0
Operating Costs (€000)	(20,040)	(18,744)	(19,961)	(22,182)	(24,246)
EBITDA (€000)	6,109	5,722	5,784	7,160	6,461
Depreciation & Amortisation (€000)	(1,313)	(1,270)	(1,410)	(1,582)	(1,563)
Operating Profit (€000)	4,796	4,452	4,374	5,578	4,898
Share of Profits of Joint Ventures / Dividend Income (€000)	14	(17)	1,310	0	0
Change in the Fair Value of Investment Property (€000)	0	1,520	386	0	0
Loss on Derecognition of Lease (€000)	(444)	0	0	0	0
Net Finance Costs (€000)	(2,353)	(2,365)	(2,612)	(2,775)	(2,449)
Profit before Tax (€000)	2,013	3,590	3,458	2,803	2,449
Net Profit (€000)	1,191	1,681	1,278	2,611	1,184
Net Cash from Operating Activities (€000)	2,558	6,653	4,627	5,496	2,654
Net Cash from/ (used in) Investing Activities (€000)	(1,569)	(3,584)	(2,868)	6,410	(350)
Net Cash (used in) Financing Activities (€000)	(2,606)	(4,318)	(2,239)	(2,132)	(2,785)
Borrowings (€000)	48,350	46,445	47,735	45,889	45,679
Lease Liabilities (€000)	8,293	8,291	8,223	8,148	8,065
Total Debt (€000)	56,643	54,736	55,958	54,037	53,744
Cash & Cash Equivalents (€000)	1,819	663	1,188	8,604	8,123
Net Debt (€000)	54,824	54,073	54,770	45,433	45,621
Total Assets (€000)	123,752	124,566	130,880	127,250	126,880
Total Liabilities (€000)	75,240	74,256	79,291	73,050	71,496
Total Equity (€000)	48,512	50,310	51,588	54,200	55,384
Working Capital Ratio (times) (Current Assets / Current Liabilities)	1.4	1.2	0.5	1.4	1.4
Acid Test Ratio (times) (Current Assets - Inventories / Current Liabilities)	1.2	1.0	0.5	1.2	1.2
EBITDA Margin [%] (EBITDA / Revenue)	24.2	24.0	23.1	25.4	21.0
Operating Profit Margin [%] (Operating Profit / Revenue)	19.0	18.7	17.4	19.8	16.0
Net Profit Margin [%] (Net Profit / Revenue)	4.7	7.0	5.1	9.2	3.9
Return on Equity [%] (Net Profit / Average Equity)	2.5	3.4	2.5	4.9	2.2
Return on Assets [%] (Net Profit / Average Assets)	1.0	1.4	1.0	2.0	0.9
Interest Cover (times) (EBITDA / Net Finance Costs)	2.6	2.4	2.2	2.6	2.6
Net Debt to EBITDA (times) (Net Debt / EBITDA)	9.0	9.5	9.5	6.3	7.1
Net Debt to Equity (times) (Net Debt / Total Equity)	1.1	1.1	1.1	0.8	0.8
Gearing Ratio [%] (Total Debt / [Total Debt + Equity])	53.9	52.1	52.0	49.9	49.2
Net Debt to Invested Capital (times) (Net Debt / Net Debt + Equity)	53.1	51.8	51.5	45.6	45.2
Debt to Asset Ratio (times) (Total Debt / Total Assets)	0.46	0.44	0.43	0.42	0.42
Leverage Ratio (times) (Total Assets / Total Equity)	2.55	2.48	2.54	2.35	2.29

Data Source: Hal Mann Vella Group plc Prospectus dated 28 June 2024.





Disclaimer

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