

CHG-MERIDIAN: Bonded loan secures again funding on favorable terms

- **Growth:** New funds can be used to finance growth and innovation
- **Interest-rates:** Further optimization of finance costs thanks to excellent interest-rate conditions
- **Reputation:** Successful placement underlines CHG-MERIDIAN's strong reputation in the capital markets

Weingarten, September 21, 2017

CHG-MERIDIAN, a non-captive specialist in technology management and finance based in southern Germany, has successfully placed a bonded loan of €75 million and thereby secured itself a medium-term funding package with excellent conditions. This is the fifth bonded loan since the Company entered this funding segment in 2013, and it attracted significant interest from institutional investors. However, the latest bonded loan only makes up around 7 percent of CHG-MERIDIAN's total funding volume, which will be approximately €1.1 billion this year.

The bulk of the funding volume is accounted for by the non-recourse sale of receivables, with the remainder obtained from various unsecured loans, such as syndicated loans and bilateral bank loans, and from free cash flow. "Nevertheless, the bonded loan funding is more important than the low nominal percentage would suggest," says Volkmar Lange, Head of Group Treasury at CHG-MERIDIAN.

While funding based on the sale of receivables always relates to specific projects, there are no restrictions on how the money from the bonded loan can be used and further collateralization is not required. "This provides us with greater flexibility when it comes to developing and financing innovative products and services," explains Lange. The Company can decide according to its needs whether to use the funds to finance growth and development or to allocate it to ongoing business.

Low spreads over the mid swap are a clear sign of investment-grade creditworthiness

The bonded loan is split into a €50 million tranche with a four-year fixed term and a €25 million with a five-year fixed term. With a spread of just 0.60 percentage points over the mid swap for the four-year tranche and 0.65 percentage points for the five-year tranche as at the cut-off date, CHG-MERIDIAN was able to secure excellent interest rates of well below 1 percent per year. This will help to further optimize finance costs in the years to come.

Despite the low interest rates, the bonded loan was again oversubscribed. Lange explains that CHG-MERIDIAN is reaping the rewards of its focus on maintaining a healthy balance sheet, adding: "The conditions that we obtained indicate that the banks would classify our creditworthiness as an 'A' rating."

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Further step in enhancing the Company's reputation in the capital markets

CHG-MERIDIAN selected Landesbank Baden-Württemberg (LBBW) to arrange the transaction. The bank is the market leader in Germany when it comes to bonded loans and is in contact with a wide range of investors. A total of 21 institutional investors – banks, savings banks, and cooperative banks – were brought on board for the latest bonded loan transaction.

For CHG-MERIDIAN, securing this funding represents not only a business success but also a further step in enhancing the Company's reputation in the capital markets, concludes Lange. "Ultimately, the variety of investors participating in the bonded loan helps CHG-MERIDIAN to become better known in investor circles."

Further information can be found at:

www.chg-meridian.com

CHG-MERIDIAN: The Company

CHG-MERIDIAN is one of the world's leading non-captive providers of technology management services to the IT, industrial, and healthcare sectors. With some 900 employees, CHG-MERIDIAN offers its customers comprehensive support for their technology infrastructure – from consulting, financial, and operational services to used-equipment remarketing services through its two technology and service centers in Germany and Norway. CHG-MERIDIAN provides efficient technology management to large, medium-sized, and small companies as well as government agencies. It now serves more than 10,000 customers worldwide, managing technology investments worth a total of over €4.6 billion. The online-based TESMA[®] Technology and Service Management System provides more than 12,000 users with maximum transparency in technology management. The Company has offices in 37 locations in 23 countries across the globe; its headquarters are in the southern German town of Weingarten.

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