



200 MILLION EURO BOND ISSUE SUCCESSFULLY PLACED BY AIRBALTIC

News / Airlines, Finance



Latvian airline *airBaltic* on July 23, 2019 successfully placed a 200 million euro issue 6.75 percent 5-year bonds becoming the largest corporate bond issue originating from Latvia. The transaction was well received by the international and local investor community resulting in a final allocation to more than 100 investors from 25 countries and the demand for the securities exceeded supply.

The *airBaltic* management team together with *J.P. Morgan* and *SEB* banks hosted a very well-attended six-day roadshow, meeting investors in all three Baltic capitals, London, Frankfurt, Zurich, Geneva and Helsinki.

Martin Gauss, Chief Executive Officer of *airBaltic* said: “This is a historic milestone for our airline – not only have we issued the largest bond of any company in the history of Latvia, *airBaltic* also became the first airline in Central and Eastern Europe to access the international debt capital markets with a Eurobond offering. Investors have clearly shown that they see *airBaltic's* strategy as mature and strong. We will continue to execute the growth strategy outlined in our *Destination 2025* business plan and we will significantly strengthen our liquidity with the issue of the bonds and continue investments into our fleet.”

Paulius Žurauskas, Head of DCM in *SEB Baltic* said: “This transaction highlights solid support and recognition of *airBaltic* credit story from both regional and international investors. Baltic and Nordic investor community exhibited solid demand and this transaction paves way for future development Debt Capital markets in our region.”

The settlement of the bonds is expected to take place on July 30, 2019. The bonds will be listed on Euronext Dublin stock exchange – one of the most recognised bond-listing venues globally.

airBaltic selected *J.P. Morgan* as the global coordinator and together with *SEB* as the joint Bookrunners for its bond offering. The leading legal advisor of *airBaltic* was *Dentons* as to matters of English law, and *Cobalt* advised *airBaltic* as to matters of Latvian law. *Linklaters* advised *J.P. Morgan* and *SEB Bankas* to matters of English law.

On July 10, 2019 *airBaltic* obtained a BB- preliminary credit rating with a stable outlook from the international credit rating company *Standard & Poor's*.

airBaltic is a well-established regional carrier that plays an important role in ensuring air connectivity to Latvia and the Baltics. According to a recent study by business strategy consultants *Roland Berger*, *airBaltic* directly and indirectly contributed 2.5% to Latvia's GDP in 2018 and supported close to 30,000 jobs. *airBaltic* holds a leading position in the Baltic region, being the market leader at Riga Airport and an established presence at Vilnius and Tallinn Airports, and a competitive cost structure. *airBaltic's* primary shareholder is the Latvian state, which holds 80% of the stock, while Lars Thuesen holds around 20% through his fully-owned *Aircraft Leasing 1 SIA*.

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