
EBRD invests €57.5 million in GEK TERNA's bond issuance

2020/07/06 20:16 στην κατηγορία INTERNATIONAL

The EBRD is stepping up its efforts to help the Greek private sector cope with challenges posed by the coronavirus crisis, by investing €57.5 million in GEK TERNA's successful issuance of a seven-year €500 million bond.

The issuance from the Greek holding company is the largest bond transaction to be listed to date on the Athens Stock Exchange and the first corporate issuance in the country since the outbreak of the coronavirus pandemic.

The proceeds of the Bank's subscription will be used to refinance secured commercial loans with longer tenors and reduced financing costs, enabling a corporate transformation that will optimise the capital structure of GEK TERNA. Further proceeds from the bond issuance will support new and/or existing investments in concession, infrastructure and energy projects.

GEK TERNA S.A. is the holding company for a group active in concessions, renewable energy, thermal energy and construction, incorporated in Greece and operating in Greece, central and south-eastern Europe, the USA and the Middle East.

The investment is part of the EBRD's Greek Corporate Bonds Framework, developed to extend the Bank's support for the local corporate bond market and to strengthen its long-term viability.

The EBRD's participation in bond issuances is designed to boost market confidence and contribute to building scale and critical mass for listed bonds. In the case of GEK TERNA, it aims to demonstrate the usefulness of a financial instrument not yet widely used by Greek corporates.

Andreea Moraru, EBRD Head of Greece and Cyprus, said: "We are very pleased to invest in GEK TERNA's landmark issuance on the Greek capital market. The transaction sends a strong signal that bonds are a viable source of funding for the private corporate sector. The EBRD remains active in supporting bond issuances in the country. Through our dedicated framework, we have invested almost €200 million in local and international bond issuances and successfully leveraged over €2.1 billion of listed bonds so far. Greece has a major challenge ahead of it to develop sustainable

infrastructure and to transition to a green energy system. The GEK TERNA GROUP is already one of the largest renewable energy developers in the country and we're delighted to help them become a key player in that transition."

Penelope Lazaridou, GEK TERNA General Financial Manager, commented: "We would like to sincerely thank the EBRD for the trust it has shown to GEK TERNA GROUP, yet once more. Its participation in three bond issuances made by the Group supports significantly our growth strategy. We will continue working hard aiming to exceed the expectations of our investors, employees and partners. We are strategically positioned in the concessions, energy and infrastructure sectors and determined to continue being an integral part of the national effort to restart the Greek economy."

In 2019, the EBRD invested €18 million in the issuance of a seven-year €150 million green bond by TERNA ENERGY, member of GEK TERNA Group. Previously, the EBRD participated with €15 million in GEK TERNA's €120 million bond issuance in 2018.

The EBRD started investing in Greece on a temporary basis in 2015 to support the country's economic recovery. To date, the Bank has invested more than €3.5 billion in over 60 projects in the corporate, financial, energy and infrastructure sectors of the Greek economy.