

Case Study – DBT

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Overview

Company: Groupe DBT
Country: France
Sector: Industrials
Industry: Electrical Equipment



Groupe DBT produces **professional electrical equipment**. The Company offers access control terminals, power distribution equipment, power transformers, and automotive charging stations for both hybrid and electric vehicles.

January 2019 Nissan announces their decision to unilaterally cancel the Third Year Maintenance contract, creating an **immediate loss of €1.8 million**. The sudden decision by Nissan immediately deteriorated DBT's cash position and caused a serious disruption to its production cycle and order book. The stock was suspended from trading on 25th November 2019, as DBT sought a new financial partner.

Facing insolvency, DBT first approached ABO in early February 2020. ABO quickly structured and put in place a **€10.25 million Convertible Bond facility** with an initial tranche of €1.25 million to kickstart production, disbursed 4 weeks after initial contact.

The facility allowed DBT to weather the COVID-19 pandemic and **restart full production** on 27th April 2020. The floating conversion price and tranche structure allowed DBT to raise equity at a higher valuation over time as it announced positive news to the market, namely a new contract to supply low-voltage chargers to Enedis until 2022.

Transaction Highlights

Signing date	25 February 2020
Facility	Convertible Bonds FP
Total Commitment	EUR 10,250,000
Agreement Length	30 months
Tranches	1 x EUR 1,250,000 18 x EUR 500,000
Use of Proceeds	Recapitalization
First Tranche Disbursement	25 February 2020
Last Tranche Disbursement	25 May 2020
Total Capital Deployed	70.7%

Market Cap (€ Millions)



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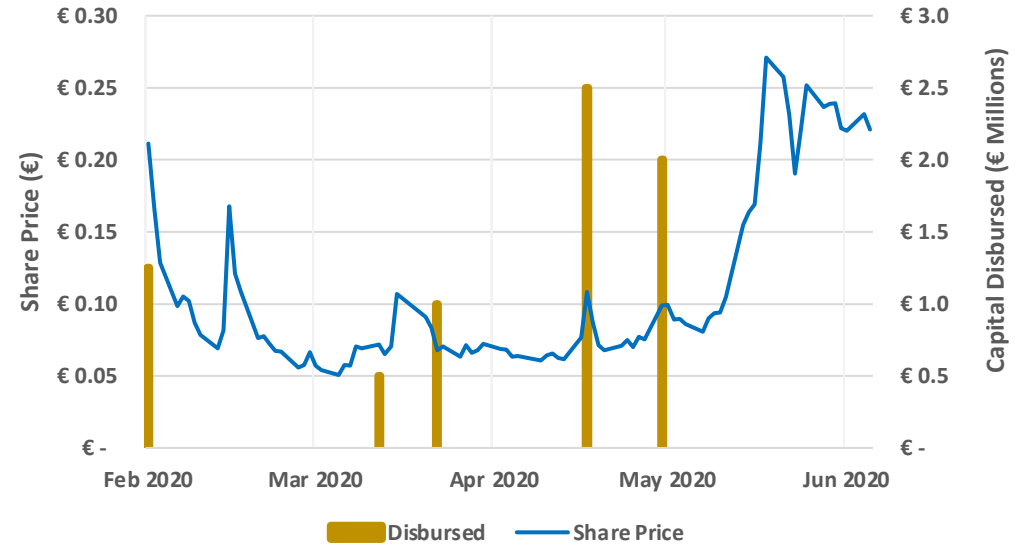


Execution

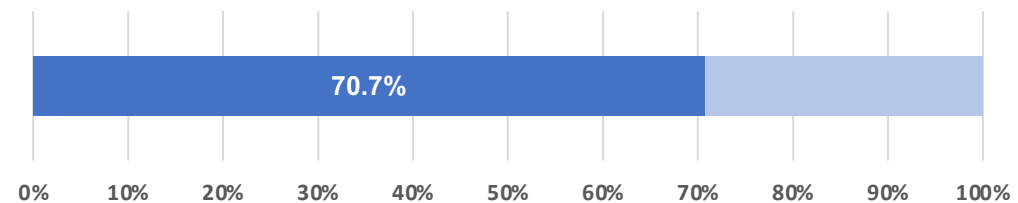
- ALDBT:FP **resumed trading** on Euronext Growth Paris on the 26th February 2020, after 3 months suspended.
- Existing shareholders' loss of confidence coupled with the COVID-19 market crash, caused a 76% decrease in the share price, bottoming at €0.05 in March. Resumption of productive cycle combined with the French Gov.'s newly announced EV subsidies, lead the share price to **appreciate 435%**, reaching a high of €0.27 on the 12th June 2020.
- Historical average value traded for the stock was around €60k per day pre-trading halt. ABO's market making activities increased the average **value traded by 6x** in the first month of trading.
- Liquidity covenants in the Agreement kicked in, allowing DBT to draw **multiple tranches** at once and take advantage of positive share price momentum.

Date	Tranche	Amount (€)
25/02/20	1	1,250,000.00
06/04/20	2	500,000.00
16/04/20	3 & 4	1,000,000.00
12/05/20	5, 6, 7, 8 & 9	2,500,000.00
25/05/20	10, 11, 12 & 13	2,000,000.00

Accelerated Tranche Drawdown



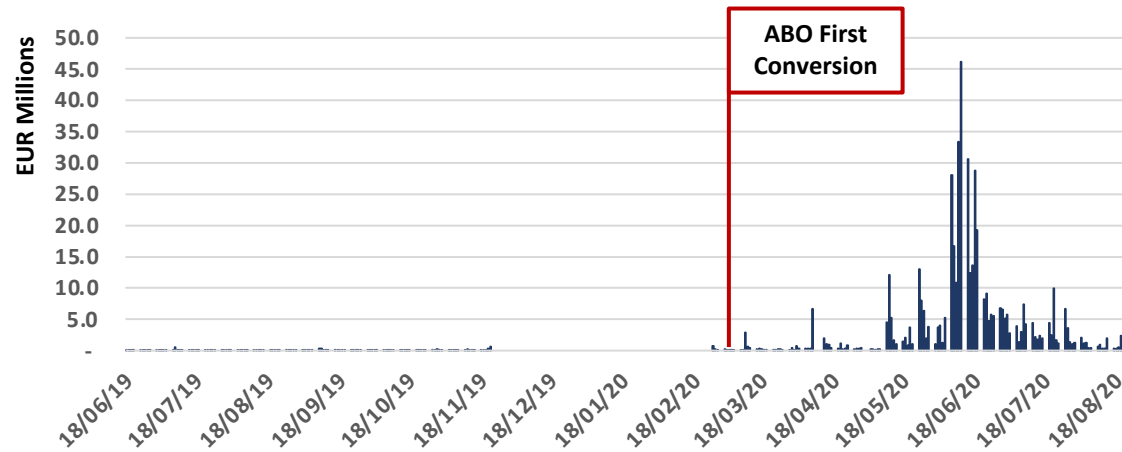
Total Commitment Disbursed



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Daily Value Traded increased by 58.6x



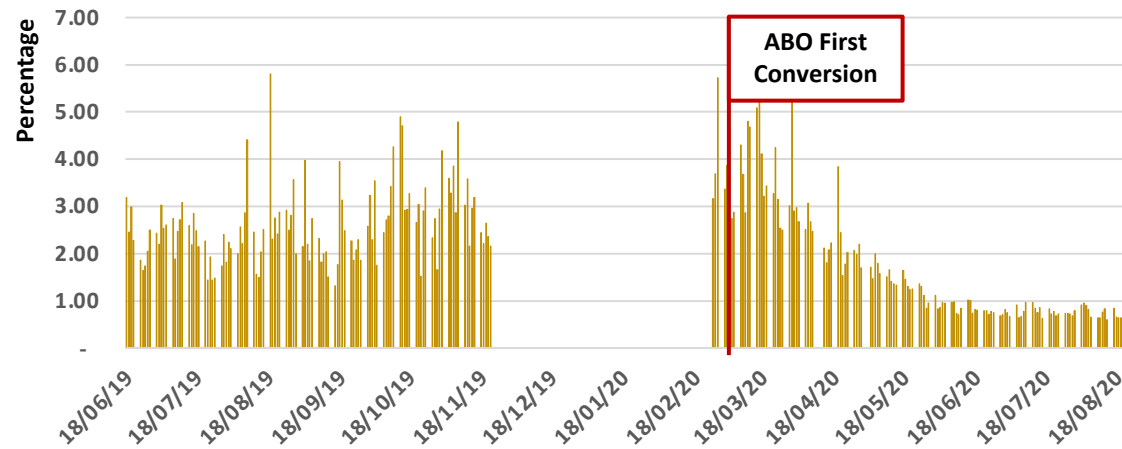
Avg Daily Value Traded (ADVT)

ADVT Pre-ABO	€66,400.96
ADVT Post-ABO	€3,892,861.48
Increase	58.6x

Bid-Ask Spread (% of Closing Price)

Bid-Ask Spread Pre-ABO	2.61%
Bid-Ask Spread Post-ABO	1.74%
Decrease in Basis Points	87 bps

Bid-Ask Spread (as % of Closing Price) decreased by 87 bps



Increased Trading Volume

ABO liquidates its equity exposure via the open market, increasing the stock's free float and trading volume.

DBT's daily value traded increased by 58.6x and the bid-ask spread decreased by 87 bps. The increased liquidity has opened DBT's funding options.