

Le retour sur le devant de la scène des agents de middle et back-office dans des opérations de restructuring

Par Edouard NARBOUX, Managing Director, Aether Financial Services

Conséquence de la situation sanitaire désastreuse que nous connaissons depuis mars 2020, les douze derniers mois ont été le théâtre d'un nombre inhabituellement élevé d'opérations de restructuring. Certains secteurs, comme celui de l'aviation, l'hôtellerie ou encore l'événementiel, ont été fortement touchés du fait de leur dépendance aux déplacements des personnes. Il en ressort cependant que tous les profils de société ont été touchés : allant des PME jusqu'au large cap, cotées ou non cotées.

Comme à chaque fois qu'une société rencontre des difficultés financières, elle se retrouve dans l'obligation de réunir ses différents créanciers pour trouver un terrain d'entente en vue de renégocier ses passifs financiers (étalement de la dette, swap to equity, annulation, clauses de retour à meilleure fortune notamment).

Dans un environnement où ces dits passifs (prêt bilatéral, émission obligataire, crédit syndiqué, Revolving Credit Facility, etc) ne sont pas cotés ou ne font pas l'objet de transactions, quand bien même les négociations aient été difficiles, l'exécution de la restructuring est relativement aisée.

A contrario, lorsque ces passifs sont négociés sur des marchés réglementés ou régulés ou de gré à gré, (autrement dit



«over the counter») – ce qui est très souvent le cas pour des sociétés cotées – la mise en place technique de la restructuring relève plutôt du parcours du combattant que d'une sinécure. En effet, le nombre de porteurs, leurs disparités (profil, présence géographique, etc.), la cessibilité des instruments, les systèmes de livraison ou réglementations spécifiques liées aux bourses ou aux autorités des marchés (gestion de l'information privilégiée par exemple) rendent très complexes la réalisation d'une restructuring.

Les enjeux de l'exécution

Pour mesurer le succès d'une opération financière, la qualité de son exécution est primordiale ; cette vérité l'est d'ailleurs encore plus lors d'une restructuring financière puisque cette

opération est vitale pour la société et ses employés.

Une restructuring financière représente plusieurs mois de discussions pendant lesquels la société, les prêteurs, les investisseurs, les créanciers divers et tous leurs conseils négocient et consentent des efforts difficiles en vue d'arriver à un point d'équilibre permettant à la société de sortir par le haut. L'enjeu principal est d'arriver à trouver un compromis viable en un minimum de temps. Les questions techniques d'exécution relatives à la mise en œuvre sont traitées de manière secondaire dans le meilleur des cas ou sont tout simplement édulcorées afin d'avancer, tout en considérant qu'une solution sera trouvée le moment venu. Cela ne peut en être autrement et c'est d'ailleurs toujours le cas.

Ainsi l'exécution des restructurations financières représente le point d'orgue de plusieurs mois de travail intense et, par conséquent, se doit d'être irréprochable et de respecter le cahier des charges des termes de la restructuring en ce notamment le calendrier de sa mise en œuvre qui est très souvent restreint car les investisseurs veulent pouvoir traiter au plus vite post-restructuring les nouveaux instruments émis.

Quels sujets traiter ?

Une fois la solution juridico-financière agréée par l'ensemble des parties et transcrite dans un accord juridique de plusieurs complexe et volumineux, il revient aux agents de middle et de back office de gérer les derniers sujets techniques tout en s'assurant que les contraintes pratiques ont été prises en

compte ou en apportant des solutions si cela n'a pas été le cas.

Parmi ces interventions clés, cet agent va s'assurer de la validation ou de la détermination exacte (au centime d'euro ou à l'action près) de l'ensemble des calculs financiers liés à l'opération :

- Montant des soultes,
- Montant des rompus,
- Montant des intérêts capitalisés,
- Montant de la conversion et détermination du nombre d'action inhérent à un debt to equity swap
- Réduction de la valeur nominale
- Etc.

Une restructuring est conditionnée à la tenue de conseil d'administration ou d'assemblée générale devant se prononcer sur des résolutions sur-mesure pour la restructuring. Il est facilement compréhensible qu'il n'existe aucun droit à l'erreur puisqu'il ne sera pas possible de revenir devant une assemblée générale. Une telle opération revêt un caractère unique dont la réussite est impérative.

Une fois les aspects contractuels finalisés, c'est ensuite un travail d'horloger qui démarre avec les interactions directes avec les investisseurs : identification, récupération de leurs coordonnées bancaires, de celles de leur teneur de compte ou de leur banque intermédiaire et confirmation de leur position et de leur souhait de restructuring, tout en prenant langue en parallèle avec toutes ces entités.

Le dernier challenge à affronter est lié à l'internationalisation de l'opération. En effet, dans un environnement où les flux n'ont pas de frontière, de nombreux facteurs sont à prendre en compte :

- le décalage horaire ;
- les problèmes de compréhension de l'opération («lost in translation») ou absence logique de connaissance de l'opération des back-office des contreparties).

Le rôle primordial des agents de middle et back-office

Véritable acteur de la restructuring, l'agent en charge de l'exécution est le contact central de l'ensemble des investisseurs. Il doit syndiquer leurs questions, leurs coordonnées et est responsable vis-à-vis d'eux du règlement/livraison de l'opération. A contrario des conseils de la société qui ont joué leur rôle afin de trouver un accord entre les parties, l'agent est le garant de la réalisation technique des accords.

L'agent doit donc cumuler plusieurs compétences essentielles pour effectuer son intervention :

- la compréhension juridique et financière de l'opération afin d'en comprendre les contours et d'en identifier les points clés ;
- la parfaite maîtrise technique des flux (cash ou instruments financiers) ;
- savoir gérer le stress de l'ensemble des parties qui s'impatientent.

Dans un contexte compliqué où chacun doit assumer son rôle pour concrétiser l'accord de restructuring, les agents de middle et back-office se doivent de répondre présents. Acteurs de l'ombre au quotidien pour assurer la maintenance des financements (gestion des flux, suivi de l'information, réalisation de calculs, etc), ils savent également sortir de leur terrain de jeu habituel pour délivrer un service clé de haute qualité.

Iranian gas trade in light of regional supply competition

By Nadezda KOKOTOVIC, Brussels Energy Club Director

Brussels Energy Club held another meeting within its series dedicated to gas and renewables in emerging markets. On 11 February the Club discussed the Iranian gas with Dr Seyed Masoud Hashemian Esfahani, an expert and former Acting Deputy Minister in charge of international affairs in the Iranian Ministry of Petroleum, who joined us directly from Teheran. He spoke about risk and opportunities for the Iranian export in the current global gas market trends and gave an overview of the ongoing and planned gas projects.

Iran's global oil and gas reserves are among the highest in the world, and oil export is crucial for the country's economy. Iran has been under different, predominantly US sanctions for 40 years and as a result, most of the competitiveness indicators, such as institutions, infrastructure, macroeconomic stability, skills, product market, financial system are not very developed. Iran's 82 million inhabitants make 5500\$ per capita, with average GDP growth of 1.3%.

After oil and financial sanctions were lifted in 2016, the country quickly resumed oil exports⁽¹⁾ and returned to the global market. However, the figures fell sharply again in 2019 when the US reintroduced sanctions and some perspective projects were halted, while others were continued with internal resources.

The EU has not re-imposed part of the sanctions, so financial, banking and insurance measures and trade in the oil, gas and petrochemical sectors, as well as activity in transport sector are allowed. The US sanctions do not explicitly target Iranian natural gas exported by pipeline, but they do restrict financial transactions and put pressure on its partners to find alternatives.

Iran is one of the largest producers of gas in the world (244.2 bcm in 2019), but also one of the largest consumers (223.6)⁽²⁾. The country is well covered with gas transmission network, 90% of residential consumers use gas and its power generation depends on gas mostly. Domination of gas is a general trend in the Middle East, where energy demand head is still rising. Gas prices internally have been subsidised, so primary energy consumption in Iran is high even in global terms, as well as energy intensity of the economy. These two factors, high internal demand and energy intensity are a second major obstacle for higher gas export capability in the long run.

Gas has the key role in the world's primary energy basket and it is expected that in the current decade share of renewable energy and gas will only increase. The market has changed significantly in last 10 years and competition became more versatile and even unexpected. Energy demand is shifting to Asia Pacific and the Middle East as Europe is pursuing energy efficiency and green energy policy. LNG exports continue to grow, driven by increases from the US and Russia. European LNG imports rose 68%, as Europe is focused on diversification of supply sources. As a result, the gas pricing system is switching from being linked to crude oil prices and long-term contracts to a market-based mechanism.

Iran exported 16.9 bcm of pipeline gas in 2019 (compare to Russia's 217 bcm). Currently, Iran is exporting gas to Turkey and Iraq, imports gas from Turkmenistan and has gas swap deal with this country, in addition to gas-electricity barter with Armenia.

Turkey has been Iran's main gas export market for some time, but recently, Turkey has lowered its imports from Iran and Russia, increased imports of LNG and pipeline gas from Azerbaijan and strives to become a regional gas corridor.⁽³⁾ Since 2014, Iran exports gas to Iraq, covering a quarter of Iraq's demand, via 2 pipelines, to Baghdad and Basra. The increase of Iraqi gas production poses a challenge for

Iran's export. Iran has the largest network of gas trunk lines (36,000 km) in the region and gas transmission network of 318,000 km. Since 2009 Iran exports gas to neighbouring Armenia, which pays for this gas by exporting electricity to Iran.

Tehran would like Armenia and Azerbaijan to serve as transit states for Iranian gas exports to destinations in Europe. Under the two swap deals, Azerbaijan sends gas to north west provinces of Iran, and in return it gets gas for its western enclave, and Iran receives Turkmenistan gas at their common border and delivers the same quantity at its border with Azerbaijan. Iran has a long-term gas import contract with Turkmenistan covering northern Iran. However, this agreement is now disputed.

The country has excellent geographical position for the role of a gas corridor in Southwest Asia and the Middle East, e.g. Iran could make use of rentable pipeline infrastructure to export Turkmen gas to global markets, instead of having Turkmenistan as yet another competitor. Instead, major energy projects of all Caspian states are running without Iran's participation.

Iran's goal to develop new export routes and conquer other markets is facing additional competition in a more liberal gas market environment than was the case in the past. Australia is dominant in the South and East Asian LNG market, Qatar LNG exports from North Dome field (North Dome/South Pars is a common Qatari-Iranian field) are on the increase, potential gas production capacity in the Eastern Mediterranean gets full support from the EU and the US, and even China has obliged itself to purchasing US LNG in next 5 years. Additionally, most of Iran's neighbours have oil and gas potential for export and production. Still, there is a significant growth in gas demand from East Asian economies.

There are two proposals for export to Pakistan and via Pakistani coast to India by shallow water or deep-water pipeline, that would allow export further to China, too. There is a competition for this market from

the gas pipeline Turkmenistan – Afghanistan – Pakistan and India (TAPI).

The Iran-Oman onshore-offshore pipeline has been negotiated but still not concluded, as parties are negotiating the price.

When it comes to export to Europe, Iran was exporting gas to Europe through Iran Gas Trunk line IGAT-1 via the Azerbaijan Soviet Republic for 10 years in the 1970ies, with total volume of 70 bcm. Different proposals for construction of lengthy pipelines for Iranian exports via Iraq, Syria, Yugoslavia and USSR were on the table in those years⁽⁴⁾.

Today, Armenia and Azerbaijan are potential gas export routes for Iranian gas to Europe and another one is through Turkey. Strong presence of other players that have established themselves well in this region is an obstacle for Iran. If constructed, the Trans-Caspian Gas Pipeline would connect to the EU-backed Southern Gas Corridor, and began supplying Azerbaijan's and Turkmenistan's gas to Greece, Bulgaria and Italy. Besides, Russia is not interested in another competitor on the European market. In 2009 Iran proposed a gas route that goes through Iraq and Syria to Italy (via the Mediterranean Sea, with several different stops in the middle), the Persian pipeline, that would take up gas from the South Pars gas field. South Pars contains 40% of the Iranian gas reserves. The project, worth around 100 billion \$ is divided into 24 phases, currently at phase 14 of its development.

Is the European market still worth considering in terms of investment into lengthy and geopolitically risky pipeline projects? Although the EU has 700 bcm of import capacity, by 2030 European gas consumption should decrease by some 30% and the European market will put a price on carbon footprint in order to reduce it. Moreover, large scale investments have already been made into the European gas pipeline infrastructure in recent years as well as into LNG corridors. LNG looks like the most promising possibility for Iranian gas export to Europe today. Iran started building LNG plants 15 years ago with capacity of

10 million tons per year. As a result of sanctions, Iran developed its own technologies in almost all areas, except deep water exploration and production. Iran plans to start its LNG exports soon, and strives to export it to Europe and China. Iran would like to see foreign investors in LNG plant projects in the south of Iran and uses off-take agreements to attract them.

Due to the low cost of Iranian gas production, it was economically efficient for Iran to invest in its petrochemical sector. The Mokran Petrochemical Complex in the Chabahar port on Iran's coast is the third main petrochemical centre in Iran, on route to India and China (annual output capacity 8.5 million tons). The government invested 15 billion \$ in 10 years. Chabahar has an important role in the steel industry, petrochemicals, and transportation development. There is an open offer to foreign investors based on off-take agreements and 20 years tax holiday. The challenge in this sector comes from Saudi Arabia's upswing of its petrochemical products exports.

Iran is now freer to increase its gas production for foreign countries, but the fact is that in the meantime the market changed, most countries have already occupied niches and developed projects. Iran is now looking for its place under the sun but the conflict with the US makes prospects for lifting sanctions look ambiguous in the medium and long term. Moreover, Iran still has to work on its internal structure to overcome its high and still growing internal demand and energy efficiency issues that would allow the country become a major gas exporter.

1) "Developing the refining sector critical to maintain Iran's remarkable return to oil markets" (ihsmarket.com)
 2) BP Statistical Review of World Energy 2020 - for all the figures in the article.
 3) Brenda Shaffer, "U. S. Sanctions on Iran: is natural gas next?", FDD Foundation for Defense of Democracies, 11 May 2020
<https://www.fdd.org/analysis/2020/05/11/us-iran-sanctions-natural-gas-next/>
 4) "The Great Gas Game", with Prof. Konstantin Simonov and Alexey Grivach at the Brussels Energy Club (BREC), Agefi Luxembourg, December 2019