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Deal Alert

Lantern Debt Recovery Services

The EY FS Corporate Finance team has recently advised Lantern Debt Recovery Services Limited ("Lantern") on raising a £15m committed senior revolving credit facility from a syndicate of lenders consisting of Shawbrook Bank and Paragon Bank. The funding will be used to support the purchase of further non-performing consumer debt portfolios. The facility also has a built in £15m accordion feature which can be used to increase the senior commitment if required.

Launched in 2008, Lantern is a leading player in the Speciality Finance debt purchase market, focussed on purchasing and collecting portfolios of unsecured consumer loans. Having acquired and managed over 250 portfolios since 2008, representing c.£1.3bn of face value, Lantern has developed deep experience, knowledge and insight of the market, and has established itself as a trusted partner with a significant number of the leading specialist lenders. Lantern is backed by Copper Street Capital, a fast growing alternative investment firm with a focus on the financial services sector.

EY was appointed as sole financial advisor to run a process to explore senior funding options, put in place a structure to support Lantern's go-forward portfolio purchase strategy, and help the business achieve its planned growth.

Commenting on the transaction, Denise Crossley, CEO of Lantern said: *"Securing the new funding facility is an exciting development for Lantern, and reflects the confidence our institutional partners place in us. This is a significant endorsement of the talent of our team and business as a whole, where our skills, as a niche Purchaser of customers requiring a more bespoke collections approach, are in demand."*

Justin Bull, Partner and COO of Copper Street Capital commented: *"This is another important step in Lantern's development and the establishment of this facility will enhance the firm's growth plans"*

Sarah Watts, Director in Structured Finance at Shawbrook Bank said: *"We are delighted to be able to support Lantern. The specialist wholesale team at Shawbrook has a lot of experience in the debt purchase space and we've been able to structure a bespoke facility for the business that will be transformational as they continue to implement their growth strategy."*

This announcement appears as a matter of record only.



April 2019

Raising of a £15m senior warehouse facility to finance the purchase of non-performing consumer debt portfolios

EY acted as Sole Financial Advisor on the Debt Financing



EY contacts

Nick Parkhouse

Partner, FS Corporate Finance
nparkhouse@uk.ey.com
+44 20 7197 7658

Jordan Blakesley

Senior Manager, FS Corporate Finance
jblakesley@uk.ey.com
+44 20 7197 7517

Mikal Chawdry

Executive, FS Corporate Finance
mchawdry@uk.ey.com
+44 20 7951 6715

Jamie Pickering, Director in the Structured Lending team at Paragon said: *“Supporting British businesses so they have the ability to reach their ambitions is a key aim at Paragon, so we are proud to use our specialist knowledge to provide a facility that suits Lantern’s needs and will help it to achieve its aspirations to grow even further.”*

This marks the EY FS Corporate Finance team’s fourth transaction in what has already been a busy 2019 for the team.

Commenting on the transaction, Jordan Blakesley, Senior Manager from the EY FS Corporate Finance team said *“We thoroughly enjoyed working closely with both Lantern and Copper Street to put in place the first traditional banking facility for the business. The funding support offered by the new syndicate will enable Lantern to pursue the strong pipeline of opportunities they have developed, and we look forward to working closely with them in the future.”*

The EY engagement team comprised of Nick Parkhouse, Jordan Blakesley and Mikal Chawdry