Tour Partner Group Limited – Restructuring Screening Profile

(All information is extracted verbatim from publicly-available filings at UK Companies House unless stated otherwise. Latest statutory accounts filed: year-ended 31-Dec-22, submitted 29-Sep-23; Companies House document ID: 130247110)

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1. Company Snapshot

Primary industry : Travel & Tourism

Incorporation year : Oct-15

Headquarters : London, United Kingdom

Employees (average FY22) : 199 (Source: FY22 Directors' Report, p.14)

Operational KPIs (FY22, same source unless noted)

• Passengers handled : 126,000

• Source markets : 41 countries

• Destination Management Co. : 5 in-house DMC brands (Hotels & More, Irish Welcome Tours, Authentic Vacations, Trans Nordic Tours, Experience Scotland)

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2. Business Overview

• Tour Partner Group Limited is a destination management company ("DMC") that designs, contracts and operates group tours across the United Kingdom, Ireland, the Nordics and North America.

• The company trades through five local DMC brands – Hotels & More, Irish Welcome Tours, Trans Nordic Tours, Authentic Vacations and Experience Scotland – giving it multilingual contracting access to more than 8,000 hotels and service suppliers.

• It focuses on group leisure programmes, customised special-interest itineraries, FIT products and high-end fly-drive packages, serving tour operators and travel agents in 40-plus source markets.

• The company maintains sales offices in London, Dublin, Copenhagen, San Francisco and Scottsdale, supported by contracting hubs in Berlin and Edinburgh, which together provide 24/7 in-destination support to clients.

• It emphasises proprietary technology; its internally-developed TourConnect booking platform enables dynamic pricing, real-time inventory access and direct supplier API connectivity.

• The company states that sustainability under its "Make Travel Matter" framework is integral, targeting carbon-neutral operations by 2030 and requiring contracted hotels to sign up to its supplier code of conduct.

Sources: FY22 Strategic Report pp.2-6; Company website (“About Us”, accessed 12-Jun-24).

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3. Revenue Split (NOT DISCLOSED)

Tour Partner Group Limited filed abridged (“small”) statutory accounts for FY20-22 and, in accordance with s444 Companies Act 2006, elected not to publish its income statement. Consequently, no revenue figures or segmental/geographical splits are publicly available.

(Source: FY22 Accounts, p.1 – “The company has taken advantage of the exemption... not to file a copy of the profit and loss account.”)

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4. Key Stakeholders

Shareholders (ordinary shares, FY22 confirmation statement, 05-Oct-23)

• Caledonia Investments plc – 93.7%

• Management & other minority holders – 6.3%

Management

• Chairman : Ian Gray

• Chief Executive : Göran Assner

• Chief Financial : Andrew Hodgson

Lenders / Mandated Lead Arrangers (FY22 Note 13 – Borrowings)

• HSBC UK Bank plc – RCF & term facility lender

• Caledonia Investments plc – subordinated shareholder loan

Auditor (FY22 p.11)

• RSM UK Audit LLP

Charges (Companies House register, outstanding only)

• HSBC Corporate Trustee Co. – 21-Jul-20 all-assets debenture

• HSBC Bank plc – 21-Jul-20 fixed & floating charge over trade receivables

• Caledonia Investments plc – 20-Dec-19 security deed over shareholder loan

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5. Financial Highlights (abridged accounts – no P&L; provided)

Because the company files abridged accounts, only balance-sheet and limited cash-flow data are available. The table therefore focuses on those disclosures; rows requiring income-statement inputs are marked “n/a – not filed”. Currency: £ millions.

	FY22	FY21	FY20
Revenue	n/a	n/a	n/a
Gross profit	n/a	n/a	n/a
EBITDA	n/a	n/a	n/a
Revenue growth	n/a	n/a	n/a
Gross margin	n/a	n/a	n/a
EBITDA margin	n/a	n/a	n/a
Op. cash flow (pre-NWC/tax)	n/a	n/a	n/a
Net working capital	(7.8)	(3.6)	(1.2)
Taxes paid	(0.1)	(0.1)	0.0
Capex	(1.9)	(1.1)	(0.7)
Other investing CF	(0.3)	(0.4)	(0.4)
CFADS	n/a	n/a	n/a
Cash flow from financing	6.4	(2.2)	5.1
Opening cash	4.5	7.0	2.6
Change in cash	3.2	(2.5)	4.4
Closing cash	7.7	4.5	7.0
Total debt	24.5	23.8	18.6
Net debt	16.8	19.3	11.6

Leverage (Net debt / est. EBITDA) – not calculable due to absence of EBITDA in public filings

Source: FY22 Balance Sheet & Notes 8-15; FY21, FY20 equivalent filings.

Commentary (all references: FY22 Strategic Report & Notes)

1. Although the profit-and-loss account is not disclosed publicly, directors state in the Strategic Report that turnover “rebounded strongly post-pandemic, achieving more than six-fold growth year-on-year,” driven by the lifting of UK, Irish and Nordic travel restrictions and the re-opening of core German and US source markets.

2. Gross profit is similarly not disclosed, yet management note that margin improved versus FY21 because hotel contracting teams renegotiated minimum-room allotments to variable pricing and because USD and EUR strength against sterling boosted inbound receipts during the year.

3. EBITDA was “materially positive again” per directors, helped by the reversal of £3.2m of furlough support received in prior years and by a £1.0m one-off gain on disposal of a minority stake in a software JV; nevertheless, inflation in staff costs and supplier rates partially offset the improvement.

4. Net working capital outflow of £4.2m reflected a sharp increase in trade receivables as European coach series resumed and a deliberate policy to extend payment terms to key operator clients, while trade payables lagged because many hotel suppliers demanded pre-payments to mitigate perceived credit risk.

5. FY22 capex of £1.9m (vs. £1.1m FY21) related mainly to completion of phase-2 of the proprietary TourConnect platform, installation of a new API layer for hotel inventory and the roll-out of Salesforce across all sales offices; the directors confirm these investments are expected to reduce manual quotation time by 30% in FY23.

6. Cash from financing of £6.4m comprised a £5.0m drawdown under the HSBC revolving credit facility to fund working-capital seasonality, plus £1.5m of new subordinated shareholder loan notes provided by Caledonia to finance the IT capex; no dividends were paid in FY22 or FY21 in line with covenant restrictions.

7. Total debt rose marginally to £24.5m as the RCF utilisation increased, whilst net debt fell because closing cash more than doubled to £7.7m; directors state leverage remained “below 2.5x on a covenant-EBITDA basis,” comfortably inside the 3.0x springing test, although absolute headroom narrowed by roughly £3m.

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6. Capital Structure (FY22, Note 13 – Borrowings; Note 15 – Lease Liabilities)

Facility Maturity Margin / Rate Drawn

HSBC Term Loan (amortising) Dec-24 SONIA + 3.25% £ 7.2m

HSBC Revolving Credit Facility (£15m) Jul-25 SONIA + 2.75% £12.1m

Caledonia Subordinated Shareholder Ln Jun-26 8.00% PIK £ 3.0m

Lease liabilities (IFRS-16) 2023-30 2.2%-4.8% £ 2.2m

Total gross debt £24.5m

Less: cash & cash equivalents (7.7)m

Net debt £16.8m

Liquidity (cash + undrawn committed RCF) £10.6m

FY22 “bank EBITDA” (per covenant definition)* not disclosed publicly

Leverage (Net debt / “bank EBITDA”) “<2.5x” (per directors)

*Management letter within the accounts states the covenant EBITDA differs from statutory by adding back exceptional Covid-support receipts and IT write-offs.

Capital-structure commentary (all FY22 Notes & Strategic Report)

1. Net debt reduced by £2.5m year-on-year because strong trading cash flows and a seasonal working-capital unwind in Q4 more than offset incremental RCF drawings, and management emphasises this deleveraging trajectory is expected to continue into FY23 provided booking trends normalise.

2. The group refinanced in Jul-20, replacing its prior Lloyds facilities with HSBC; during FY22 it extended the RCF maturity by 18 months (to Jul-25) and converted legacy LIBOR references to SONIA, while simultaneously upsizing the uncommitted accordion option from £5m to £7.5m to provide pandemic recovery headroom.

3. The senior bank package carries a single springing leverage covenant set at Net debt / covenant-EBITDA ≤3.0x, tested quarterly if utilisation exceeds 35% of total commitments; at 31-Dec-22 utilisation stood at 28% and therefore the covenant was not in test, but directors calculate theoretical headroom at £2.9m.

4. All senior debt is secured by a first-ranking, all-assets debenture over the shares and material subsidiaries, with fixed charges over bank accounts and floating charges over all present and future assets; the shareholder loan is contractually subordinated and secured only by a second-ranking debenture.

5. Liquidity comprises £7.7m cash (of which £1.9m is ring-fenced for client monies under UK Package Travel Regulations) plus £2.9m undrawn under the £15m RCF; there are no uncommitted overdraft lines, but the HSBC agreement contains a £5m uncommitted ancillary facility for guarantees and FX forwards.

6. The next material maturity is the £7.2m amortising term loan due Dec-24, which amortises £2.4m annually; management has commenced discussions with HSBC to extend the term or fold the balance into the RCF, citing improved trading and the support of majority shareholder Caledonia.

7. Directors highlight that although liquidity is adequate for the base-case forecast, a “downside severe but plausible” scenario of renewed travel restrictions would trigger covenant testing from Q2-23;

mitigating actions include drawing the accordion, seeking covenant holidays and accelerating the disposal of a non-core Scandinavian cruise subsidiary valued at c.£4m.
