

# GLAS partners with Cineworld to achieve successful restructuring outcome

The restructuring of the world's second largest cinema chain was finalised in September, as Cineworld's restructuring plan was approved by London's High Court on a Monday afternoon after gathering significant coverage in the press.

Cineworld had emerged from administration in 2023, but like many operators, the ongoing impact of the Covid-19 pandemic had obstructed the company's pathway to profitability despite the efforts to reduce debt and inject new capital into the business.

GLAS were trusted to act as Lock Up Agent and Information Agent on this transaction, and our team's expertise and support helped to achieve a successful outcome for the business and its Creditors.

**GLAS Credentials and Licenses:**  
**\$450bn assets under administration**  
**4500+ loan facilities managed**  
**90+ security jurisdictions**  
**35+ borrower locations**

**New-Hampshire Regulated Trustee (US), Payment Service License PSD2 (GER), Collection License (GER) and compliant with regulatory bodies TIA (US), BaFin (GER), ACPR (FR), and ASIC (AU). GLAS is also validated on the International Registry of Mobile Assets.**

## What do Cineworld do?

Cineworld Group plc is a British cinema operator headquartered in London. The group has 747 sites across their operations in ten countries throughout Europe, the US and Asia, with 101 of those based in the UK.

The cinema empire was developed through a series of acquisitions which included Cinema City in 2014 and US-based Regal Cinemas in 2018.

At its peak, Cineworld had 95m admissions annually, generating \$1.8bn worth of revenue as a result. Cineworld's main revenue streams come from cinema admissions, followed by retail spend at their locations.

## Contact

To learn more about how GLAS can support across the full suite of restructuring services, contact:

### GLAS Europe

[glasemeasales@glas.agency](mailto:glasemeasales@glas.agency)

### GLAS US

[Sales.USA@glas.agency](mailto:Sales.USA@glas.agency)

### GLAS APAC

[APAC@glas.agency](mailto:APAC@glas.agency)

## What is the background of the deal?

Despite these numbers, the impact of the Covid-19 pandemic had significant implications for the Cineworld group of brands.

The pandemic's impact on ticket sales, coupled with the significant rise in movie releases being postponed or released directly on streaming platforms, and the length of the 2023 screen actors' and writers' strikes meant that Cineworld's debts surpassed \$8.8bn in 2022.

This led to the Cineworld filing for Chapter 11 bankruptcy in the US, being delisted from the London Stock Exchange in 2023, and a debt-for-equity swap resulting in the business to be taken over by its lenders.

A successful restructuring plan was reached in 2023, but the protracted financial burden meant that the business had asked for a review of the previously agreed restructuring plan.

It was expected that without a review of the plan, four of the Cineworld Group's companies would be placed into administration for a second time.

## How GLAS were involved?

The GLAS team were brought in to act as Lock Up Agent and Information Agent on this transaction.

GLAS were trusted to partner with Cineworld as a result of our proven track record in facilitating crucial, complex transactions and expertise in this space.

The team partnered with Kirkland and Ellis throughout the process to ensure an efficient, successful resolution on how best to obtain Cineworld's path to recovery.

## What roles did GLAS play?

As part of being Lock Up Agent and Information Agent on this transaction, the GLAS team held a company record of 32 back-to-back plan meetings with over 80 landlords to give a comprehensive overview of the proposed plans.

Using our bespoke technology portals, we were also able to facilitate virtual meetings if required for landlords to ensure all lenders were supported in their decision-making process.

GLAS is the only agent in the market that provides the service of both in-person and virtual plan meetings which is particularly important on complex transactions with many lenders and claims.

GLAS also fielded the voting on the plans, with an overwhelming majority voting to approve the four proposed restructuring plans despite opposition from a fraction of the landlords.

## What was the outcome?

The English high court sanctioned the four restructuring plans for Cine-UK Ltd, Cineworld Cinemas Ltd, Cineworld Cinema Properties Ltd and Cineworld Estates Ltd.

The approved plans will lead to £16m of new equity being released to Cineworld's indirect parent firm to relieve some of the immediate financial priorities, with up to £35m being made available for the future financial requirements of the organisation.

The plans also allowed for renegotiation of leases on over 100 of its sites, the compromise and release of some of the companies secured loan obligations to the Cineworld U.S Group, a release of unsecured intercompany liabilities and amendments and extensions on its payment obligations to lenders.

GLAS are pleased to have had the opportunity to deliver an efficient and smooth delivery for Cineworld and its lenders.

Our team's expertise played a pivotal role in this transaction and once again showcases GLAS' ability to manage the market's most high profile, complex restructurings by offering award-winning service and market leading technology to our clients.