

Thomas Cook Group

03:42 20 Sep 2019

Thomas Cook confirms need for extra £200m as it teeters on brink of collapse

Thomas Cook Group PLC (LON:TCG), the world's oldest travel agent, has been left teetering on the brink of collapse after lenders demanded it finds an extra £200m to secure a rescue deal.

On Friday, the company confirmed press speculation that it was seeking the extra funds, on top of an already-agreed £900m injection of fresh capital, and that it would provide updates "in due course".

READ: Thomas Cook shares nosedive amid rumours of imminent collapse
The extra £200m is being pushed by a consortium of banks, including Royal Bank of Scotland Group PLC (LON:RBS) and Lloyds Banking Group PLC (LON:LLOY), to ensure Thomas Cook can keep itself afloat over the winter season when holiday bookings are usually lower.

However, the firm has been left with little time to secure the extra cash before court hearings begin to approve the rescue plan next Friday.

The company's largest shareholder, Chinese conglomerate Fosun, is stumping up £450m for 75% of TCG's tour operator business and 25% of its airline, while the rest of the £900m will come from lending banks and debtholders in return for the remaining stakes, wiping out all other shareholders.

Thomas Cook had warned in an update in August that the rescue deal was expected to significantly dilute its existing shareholders and could result in its delisting from the market.

In early trading on Friday, the shares nosedived 24% to 3.4p, a far cry from a three-year high of 146.1p which it hit in May last year.

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Code: TCG
Listing: LSE
Sector: Leisure, gaming and gambling
Website: www.thomascook.com

Company Synopsis:

Thomas Cook Group is one of the largest travel operators in Europe.

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