

Alaris Royalty Corp. Contributes US\$15 Million to a New Partner and Closes Amendments to Its Credit Facility

23.01.2018 | [GlobeNewswire](#)

NOT FOR DISTRIBUTION IN THE UNITED STATES. FAILURE TO COMPLY WITH THIS RESTRICTION MAY CONSTITUTE A VIOLATION OF UNITED STATES SECURITIES LAW.

CALGARY, Alberta , Jan. 23, 2018 (GLOBE NEWSWIRE) -- [Alaris Royalty Corp.](#) ("Alaris" or the "Corporation") (TSX:AD) is pleased to announce that it has closed its previously disclosed contribution of US\$15.0 million (approximately CAD\$18.8 million) (the "Heritage Contribution") to Heritage Restoration, Holdings, LLC (the "Heritage"), in exchange for an annual distribution of US\$2.25 million (approximately CAD\$2.81 million) (the "Heritage Distribution"). The Corporation is also pleased to announce it has closed the amended credit facility (the "Facility") it had previously announced. The Heritage Distribution will account for approximately 3.0% of Alaris' annualized revenue and is accretive to cash flow adding approximately \$0.04 cents per share to Alaris' net cash from operations (after tax). Alaris has approximately \$170 million of undrawn capacity on the Facility following today's announcement.

New Partner – Heritage

Alaris entered into subscription and operating agreements with Heritage on January 23, 2018, pursuant to which Alaris made the US\$15.0 million Heritage Contribution in exchange for preferred units in Heritage (the "Heritage Units"), which will entitle Alaris to the US\$2.25 million Heritage Distribution for the first full year following the transaction, which equates to an initial yield of 15%. US\$3.0 million of the Heritage Units are redeemable at par at any time. The performance metric dictating the annual percentage change in the Heritage Distribution is gross margin, subject to a 6% collar and will reset for the first time on January 1, 2019. The Heritage Contribution was used to fund the management buyout of the existing shareholder.

Founded in 1981, and under the leadership of CEO, Andy Bear since 2003, Heritage is a leading specialty contractor providing masonry and masonry related services to the commercial building industry. With a focus on the restoration of existing structures, Heritage's services include masonry procurement, installation and restoration, concrete structure restoration, waterproofing and coating repair, Heritage provides quality customer service and workmanship throughout the entire New England area, employing over 100 highly skilled masons; carpenters; and laborers during peak times. New England's abundance of university campuses, hospitals, and historic urban architecture utilizing brick and stone construction, combined with the high concentrations of concrete parking structures and tunnels, represents large and attractive market opportunities for Heritage. In addition, the attractive macroeconomic environment for new construction activity in the metropolitan Boston area also continues to provide significant opportunities for Heritage.

Based on Alaris' review of Heritage's unaudited internal pro forma results for the most recent trailing twelve month period in 2017, management of Alaris believes that Heritage would have an earnings coverage ratio of between 1.50x and 2.00x, after giving effect to the Heritage Contribution, other changes to Heritage's capital structure and the Heritage Distribution payable to Alaris.

"Alaris is excited to welcome Andy and the Heritage team as its newest partner. Under Andy's leadership, Heritage has grown to be one of the area's leading specialty construction firms. Heritage's focus on its restoration and maintenance business, coupled with new build projects, provides an impressive platform for continued success," said Gregg Delcourt, Alaris Senior Vice President, Small Cap Investments.

Alaris also closed the amended Facility on January 19, 2018. A summary of changes are as follows: (i) an

increase in capacity from \$200 million to \$280 million; (ii) increasing the accordion feature from \$50 million to \$70 million; (iii) the term of the Facility has been extended for another year to December 2021; and (iv) an increase to the permanent leverage covenant from 1.75x EBITDA to 2.5x EBITDA, and the bridge covenant (for 90 days following certain approved transactions) from 2.25x EBITDA to 3.0x EBITDA. There continue to be no amortization payments and pricing also remains the same. After the increase in the Facility Alaris has approximately \$100 million available to draw on the base part of the credit facility as well as \$70 million on the accordion feature.

ABOUT THE CORPORATION:

Alaris provides alternative financing to the Partners in exchange for distributions with the principal objective of generating stable and predictable cash flows for dividend payments to its shareholders. Distributions from the Partners are adjusted each year based on the percentage change of a "top line" financial performance measure such as gross margin and same-store sales and rank in priority to the owners' common equity position.

NON-IFRS MEASURES:

EBITDA refers to net earnings (loss) determined in accordance with IFRS, before depreciation and amortization, net of gain or loss on disposal of capital assets, interest expense and income tax expense. EBITDA is used by management and many investors to determine the ability of an issuer to generate cash from operations. Management believes EBITDA is a useful supplemental measure from which to determine the Corporation's ability to generate cash available for debt service, working capital, capital expenditures, income taxes and dividends. The Corporation has provided a reconciliation of net income to EBITDA in this news release.

Normalized EBITDA refers to EBITDA excluding items that are non-recurring in nature, such as gains associated with the reduction of our financial interest in one partner or an impairment loss in another with which the Corporation has transacted as well as the impacts of non-cash foreign exchange gains and losses. Management deems non-recurring charges to be unusual and/or infrequent charges that the Corporation incurs outside of its common day-to-day operations.

Earnings Coverage Ratio refers to normalized EBITDA of a Partner divided by such Partner's sum of debt servicing (interest and principal), unfunded maintenance capital expenditures and distributions to Alaris.

FORWARD LOOKING STATEMENTS

This news release contains forward-looking statements as defined under applicable securities laws. Statements other than statements of historical fact contained in this news release may be forward-looking statements under applicable securities legislation, including, without limitation, management's expectations, intentions and beliefs concerning: the return to Alaris on the Heritage Contribution; the Heritage earnings coverage ratio; and the first reset of the Heritage Distribution. Many of these statements can be identified by looking for words such as "believe", "expects", "will", "intends", "projects", "anticipates", "estimates", "continues" or similar words or the negative thereof. To the extent any forward-looking statements herein constitute a financial outlook, including, without limitation, estimates regarding the Heritage earnings coverage ratio were approved by management as of the date hereof and have been included to provide an understanding with respect to Alaris' financial performance and are subject to the same risks and assumptions disclosed herein. There can be no assurance that the plans, intentions or expectations upon which these forward looking statements are based will occur.

By their nature, forward-looking statements require Alaris to make assumptions and are subject to inherent risks and uncertainties. Assumptions about the performance of the Canadian and U.S. economies over the next 24 months and how that will affect Alaris' business and that of its Partners are material factors considered by Alaris management when setting the outlook for Alaris. Key assumptions include, but are not limited to, assumptions that the Canadian and U.S. economies will grow moderately over the next 12 months, that interest rates will not rise in a material way over the next 12 to 24 months, that Alaris will be able to achieve resolutions with respect to issues with SMi, Agility, Kimco and SCR on terms materially in line with management's expectations, that Alaris will achieve the benefits of any concessions or relief measures provided to any Partners, that the Partners will continue to make distributions to Alaris as and

when required and in line with management's expectations, that the businesses of the Partners will continue to grow, what the Corporation expects to experience regarding resets to its annual royalties and distributions from its Partners upon the reset dates for each Partner, and that Alaris will have the ability to raise required equity and/or debt financing on acceptable terms. Management of Alaris has also assumed that capital markets will remain stable and that the Canadian dollar will remain in a range of approximately plus or minus 10% relative to the U.S. dollar over the next twelve months. In determining expectations for economic growth, management of Alaris primarily considers historical economic data provided by the Canadian and U.S. governments and their agencies.

There can be no assurance that the assumptions, plans, intentions or expectations upon which these forward looking statements are based will occur. Forward looking statements are subject to risks, uncertainties and assumptions and should not be read as guarantees or assurances of future performance. The actual results of the Corporation and the Partners could materially differ from those anticipated in the forward looking statements contained herein as a result of certain risk factors, including, but not limited to, the following: the dependence of Alaris on the Partners; reliance on key personnel; general economic conditions; failure to complete or realize the anticipated benefit of Alaris's financing arrangements with the Partners; a failure of the Corporation or any Partners to obtain required regulatory approvals on a timely basis or at all; changes in legislation and regulations and the interpretations thereof; risks relating to the Partners and their businesses, including, without limitation, a material change in the operations of a Partner or the industries they operate in; inability to close additional Partner contributions in a timely fashion, or at all; a change in the ability of the Partners to continue to pay Alaris's preferred distributions; a change in the unaudited information provided to the Corporation; a failure to achieve resolutions for outstanding issues with Partners on terms materially in line with management's expectations; and a failure to realize the benefits of any concessions or relief measures provided by Alaris to any Partner or to successfully execute an exit strategy for a Partner where desired. Additional risks that may cause actual results to vary from those indicated are discussed under the heading "Risk Factors" and "Forward Looking Statements" in the Corporation's Management Discussion and Analysis for the year ended December 31, 2016, which is filed under the Corporation's profile at www.sedar.com and on its website at www.alarisroyalty.com.

Accordingly, readers are cautioned not to place undue reliance on any forward-looking information contained in this news release as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking statements. Statements containing forward-looking information reflect management's current beliefs and assumptions based on information in its possession on the date of this news release. Although management believes that the assumptions reflected in the forward-looking statements contained herein are reasonable, there can be no assurance that such expectations will prove to be correct.

The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this news release are made as of the date of this news release and Alaris does not undertake or assume any obligation to update or revise such statements to reflect new events or circumstances except as expressly required by applicable securities legislation.

Neither the TSX nor its Regulation Services Provider (as that term is defined in the policies of the TSX) accepts responsibility for the adequacy or accuracy of this release.

For further information please contact:

Curtis Krawetz
Vice President, Investments and Investor Relations
[Alaris Royalty Corp.](http://www.alarisroyalty.com)
P: (403) 221-7305
Suite 250, 333 24th Avenue S.W.
Calgary, Alberta T2S 3E6
www.alarisroyalty.com

Dieser Artikel stammt von [Rohstoff-Welt.de](#)

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/288643--Alaris-Royalty-Corp.-Contributes-US15-Million-to-a-New-Partner-and-Closes-Amendments-to-Its-Credit-Facility.htm>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer!](#)

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!
Alle Angaben ohne Gewähr! Copyright © by Rohstoff-Welt.de -1999-2025. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).