

Alaris Royalty Corp. Declares March Dividend and Provides a Corporate Update

20.03.2020 | [CNW](#)

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

CALGARY, March 19, 2020 - [Alaris Royalty Corp.](#) ("Alaris" or the "Corporation") (TSX: AD) announces that the Board of Directors of the Corporation (the "Board") has declared a dividend of \$0.1375 per common share for the month of March 2020, representing \$1.65 per share on an annualized basis. The dividend is payable on April 15, 2020 to shareholders of record on March 31, 2020. The ex-dividend date is March 30, 2020. This dividend is designated by the Corporation to be an eligible dividend for the purpose of the Income Tax Act (Canada) and any similar provincial or territorial legislation. An enhanced dividend tax credit applies to eligible dividends paid to Canadian residents.

Moving Monthly Dividend to Quarterly

The Board has also approved, after payment of the March 2020 dividend, changing the common share dividend payments from monthly to quarterly with the next dividend expected to be declared in June 2020 and paid in July 2020, which would cover dividends for the second quarter 2020. The ongoing global response to the coronavirus disease ("COVID-19") continues to evolve rapidly and has already had a significant impact on the financial markets and global economy. The Corporation feels that over the next 30 to 60 days it will have a better understanding of the short and long-term impacts the current economic situation will have on its business and will base its dividend for Q2 on those findings. The Corporation is assessing such impacts on a daily basis and is of the view that changing the dividend from monthly to quarterly will provide Alaris with flexibility to navigate the uncertain times created by COVID-19.

As of today, there have been no interruptions to cash flow streams and all expected distribution payments for March were paid. However, we know that some of our Partners have had, or will have business interruption (see below for update). This will no doubt lead to a reduction in Q2 distributions as we will only record distributions we receive. At this time, we do not know the full extent of the financial impact of such interruptions or what the timeline will be for restoring normal operations for certain Partners that have been impacted thus far.

"Our focus during this unprecedented time is to preserve the long-term value for shareholders. We're fortunate that other than in cases of government mandated shut downs, our portfolio is performing well given the profound economic impact the required measures taken by businesses and governments are having. The quarterly dividend will allow for decisions to be made with more accurate information since so much continues to change on a daily basis. The defensive nature of our portfolio and our strong balance sheet will allow us to come out of this period in a position to take advantage of opportunities that will exist. We have an active pipeline of deals that we were engaged in prior to the current crisis that we expect to come to fruition when the COVID19 crisis is dealt with and the impacts of it are known", said Steve King, President and CEO, [Alaris Royalty Corp.](#)

Other Corporate Updates

A main aspect of our business model is diversification, which is key in dealing with the current economic situation unfolding. Our investments are diverse both by geography and industry and while a number of our Partners will be impacted by the unprecedented measures taken by businesses and governments, the extent will vary substantially across our portfolio. As of the date of this release, Alaris has the following updates regarding its Partners and the Corporation's business:

- Alaris has a strong balance sheet and is well capitalized:
- i. Approximately \$20 million of net cash on hand subsequent to the March 2020 dividend to be paid on April 15, 2020;
- ii. Approximately \$200 million in available capital on our credit facility;
- iii. Total senior debt to trailing twelve months EBITDA of only 1.4x (\$138 million drawn);
- iv. The Corporation has an estimated cushion on its fixed charge ratio of \$18 million;
- v. Discussions with Alaris' lending syndicate have taken place regarding the possibility of temporary delays or interruptions in partner distributions. We continue to be pleased with the support our lenders have shown to us over the years and their willingness to provide flexible solutions in the future if called upon;
- The US dollar Canadian dollar pairing ("USDCAD") has moved significantly in our favor, up over 9% from the USDCAD\$1.3200 Alaris used for its last guidance. With over 80% of revenues based in US dollars Alaris will realize a benefit to its previously estimated Run Rate Payout Ratio;
- Alaris' four (4) IT consulting and service-based investments (Unify Consulting LLC, Stride Consulting LLC, Accscient LLC and GWM Holdings Inc.) have been working remotely and have seen minimal interruption to their businesses. This group represents \$20.7 million (21%) of Run Rate Revenue with total monthly payments of \$1.7 million. Since these Partners are located throughout the US, it is possible local government-imposed restrictions could impact their businesses on a case by case basis;
- PF Growth Partners LLC ("PFGP") has had to temporarily close all of its 67 locations. The PFGP distribution represents \$12.5 million (13%) of Run Rate Revenue with a monthly payment of \$1.0 million;
- Body Contours Centers, LLC d/b/a SonoBello ("SonoBello") has had to temporarily stop taking new patients at all locations until April 27, 2020 but will continue to provide post-operative care services to all patients. The SonoBello distribution represents \$9.0 million (9%) of Run Rate Revenue with a monthly payment of \$750 thousand. SonoBello currently has no senior debt on its balance sheet;
- C&C Communications LLC ("ccComm") has temporarily closed the majority of its locations. Alaris had previously announced the deferral of distributions from ccComm distribution in Q4-19 earnings;
- Heritage Restorations Holdings, LLC ("Heritage") has temporarily paused work on a number of current jobs due to the government imposed shut-down of Boston and surrounding area. Heritage represents \$3.3 million (3%) of Run Rate Revenue with a quarterly payment of \$830 thousand. Heritage has a strong debt free balance sheet and ample liquidity;
- M Rhine Holdings, LLC d/b/a Providence Industries ("Providence") has had certain parts of its business interrupted which will have a significant impact on liquidity thresholds in the current forbearance agreement with its senior lender. The Providence distribution currently represents \$3.1 million (3%) of Run Rate Revenue with a monthly payment of \$260 thousand. Due to the business interruption, we do not expect to be collecting distributions from Providence until liquidity thresholds with its senior lender are restored;
- Alaris' other seven (7) Partners, representing \$50.9 million (51%) of Run Rate Revenue have seen varying degrees of impact, the majority of which has been minimal at this point. We are monitoring these businesses on a daily basis as the operating environment for such businesses continues to evolve daily. This group represents \$4.2 million of monthly revenue. Since these Partners are located throughout Canada and the US, it is possible local government-imposed restrictions could impact their businesses on a case by case basis;

As stated previously, the impact of COVID-19 is evolving rapidly and management continues to monitor developments and the impact on Alaris' business daily. Based on the change of events related to COVID-19, Alaris will need to revise its previously disclosed annual guidance for its Run Rate Revenue and Run Rate Payout Ratio. The Corporation's previous guidance for Q1, 2020 remains in place and Alaris expects to have an update on the annual guidance at the time it releases earnings for Q1, 2020. Management remains

confident in the diversity of its portfolio of Partners and the ability of such portfolio (on a consolidated basis) to manage the current COVID-19 crisis and to continue to perform positively upon a return to normal operating levels.

About Alaris:

The Corporation provides alternative financing for a diversified group of private businesses ("Partners") in exchange for royalties or distributions from the Private Company Partners, with the principal objective of generating stable and predictable cash flows for dividend payments to its shareholders. Distributions from the Private Company 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

The terms Run Rate Payout Ratio and Run Rate Revenue are financial measures used in this news release that are not standard measures under International Financial Reporting Standards ("IFRS"). The Corporation's method of calculating Run Rate Payout Ratio and Run Rate Revenue may differ from the methods used by other issuers. Therefore, the Corporation's Run Rate Payout Ratio and Run Rate Revenue may not be comparable to similar measures presented by other issuers. The Non-IFRS measures should only be read in conjunction with the Corporation's consolidated financial statements.

Run Rate Payout Ratio refers to Alaris' total dividend per share expected to be paid over the next twelve months divided by the estimated net cash from operating activities per share Alaris expects to generate over the same twelve-month period.

Run Rate Revenue means the total revenue Alaris expects to receive via distributions from its Partners over the next twelve months.

FORWARD LOOKING STATEMENTS

This news release contains forward-looking statements, including forward-looking statements within the meaning of "safe harbor" provisions under applicable securities laws ("forward-looking statements"). Statements other than statements of historical fact contained in this news release may be forward-looking statements, including, without limitation, management's expectations, intentions and beliefs concerning: the timing and payment of future dividends, expectations for closing future investments, expectations of receiving support from Alaris' senior lenders if needed, the impact of the ongoing COVID-19 pandemic and its affect on the operations of our Partners or any of them. Many of these statements can be identified by words such as "believe", "expects", "will", "intends", "projects", "anticipates", "estimates", "continues" or similar words or the negative thereof. Any forward-looking statements herein which constitute a financial outlook or future-oriented financial information (including the impact on revenues, dividends, interruptions to Partners' businesses, run rate revenue or distributions and Partner ECRs) were approved by management as of the date hereof and have been included to provide an understanding of 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 (including, without limitation, the ongoing impact of the 2019 novel coronavirus disease ("COVID-19")) 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 begin to recover from the ongoing economic downturn created by the response to COVID-19 within the next twelve months; interest rates will not rise in a material way over the next 12 to 24 months, that those Alaris Partners detrimentally affected by COVID-19 will recover from the pandemic's impact and return to their current operating environments; following a recovery from the COVID-19 impact, the businesses of the majority of our Partners will continue to grow; more private companies will require access to alternative sources of capital; 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 the Canadian and U.S. dollar trading pair will remain in a range of approximately plus or

minus 15% of the current rate over the next 6 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 as well as prevailing economic conditions at the time of such determinations.

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: how many Partners will experience a slowdown or temporary closure of their business and the length of time of such slowdown or temporary closure as a result of COVID-19; the ability of our Partners and, correspondingly, Alaris to meet performance expectations for 2020 as a result of COVID-19; any change in the senior lenders outlook for the Corporation; management's ability to assess and mitigate the impacts of COVID-19; the dependence of Alaris on the Partners; reliance on key personnel; general economic conditions, including the ongoing impact of COVID-19 on the Canadian, U.S. and global economies; failure to complete or realize the anticipated benefit of Alaris' 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' distributions; a change in the unaudited information provided to the Corporation; a failure of a Partner (or Partners) to realize on their anticipated growth strategies; a failure to achieve resolutions for outstanding issues with Partners on terms materially in line with management's expectations or at all; 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, 2019, which is filed under the Corporation's profile at www.sedar.com and on its website at www.alarisroyalty.com.

Contact

Curtis Krawetz, Vice President, Investments and Investor Relations, [Alaris Royalty Corp.](http://www.alarisroyalty.com), P: (403) 221-7305, Suite 250, 833 24th Avenue S.W., Calgary, Alberta T2S 3E6, www.alarisroyalty.com

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.

Die URL für diesen Artikel lautet: <https://www.rohstoff-welt.de/news/347069-Alaris-Royalty-Corp.-Declares-March-Dividend-and-Provides-a-Corporate-Update.html>

Alle Angaben ohne Gewähr! Copyright © by Rohstoff-Welt.de -1999-2025. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).

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.

SOURCE [Alaris Royalty Corp.](http://www.alarisroyalty.com)