

Alaris Equity Partners Announces a US\$55 Million Follow-On Investment

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CALGARY, Oct. 8, 2020 - Alaris Equity Partners Income Trust ("Alaris" or the "Trust") (TSX: AD.UN) is pleased to announce that it has made a follow-on investment of US\$55.0 million (the "GWM Contribution") in to GWM Holdings, Inc. ("GWM") and a subsidiary thereof. The GWM Contribution results in an expected annual increase of approximately CDN\$0.25 (a 9% increase) and CDN\$0.13 (an 8% increase) of revenue and net cash from operations per unit respectively. It is estimated that the GWM Contribution and associated cash flows from it will decrease Alaris' Run Rate Payout Ratio by over 5% to below 75%.

Pursuant to the agreements (the "GWM Agreements") among Alaris, Alaris USA and GWM, Alaris and Alaris USA collectively made the GWM Contribution in exchange for an aggregate annualized distribution of US\$6.6 million (the "GWM Distribution"). Due to the structure used for the GWM Contribution, the after-tax yield on the GWM Distribution is expected to be equivalent to that of a deal done at a first-year pre-tax yield of approximately 13%. Commencing on January 1, 2022, the GWM Distribution will be adjusted annually based on the percentage change in gross revenue over the most recently completed 12-month period versus the prior 12-month period, subject to a collar of 8%. A small portion of the GWM Distribution can be paid in kind ("PIK"). GWM used the proceeds from the GWM Contribution for liquidity. The original contribution to GWM was in November 2018 for a total of US\$46.0 million. After today's announcement Alaris has US\$101.0 million invested in GWM.

"We couldn't be happier to support GWM as they continue to grow their business. Partnering with such a strong business and with such a trusted management team makes a follow-on investment very good business for Alaris. We look forward to many more years of partnership with this wonderful company," said Steve King, President and Chief Executive Officer, Alaris.

GWM has increased earnings by over 100% since Alaris' first investment in November 2018 and has successfully weathered the headwinds created by the COVID-19 pandemic ("COVID"). Based on Alaris' review of GWM's internal pro forma results for the most recent trailing twelve-month period in 2020, management of Alaris believes that GWM would have an Earnings Coverage Ratio of approximately 1.5x after giving effect to the GWM Contribution, other changes to GWM's capital structure and the GWM Distribution payable to Alaris.

ABOUT GWM:

GWM provides data-driven digital marketing solutions for advertisers globally. The company manages performance and branding campaigns for advertisers across all forms of digital media including display, video, connected TV, social, and email on devices including computers, mobile, tablets, and Connected TV. With a global presence, GWM has offices in North America and Europe.

ABOUT ALARIS:

Alaris, through its subsidiaries, provides alternative financing to private companies ("Partners") in exchange for distributions with the principal objective of generating stable and predictable cash flows for dividend payments to its unitholders. 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:

Run Rate Payout Ratio refers to Alaris' total distribution per unit expected to be paid over the next twelve months divided by the estimated net cash from operating activities per unit Alaris expects to generate over the same twelve-month period (after giving effect to the impact of all information disclosed as of the date of this report).

Earnings Coverage Ratio refers to the Normalized EBITDA of a Partner divided by such Partner's sum of

debt servicing (interest and principal), unfunded capital expenditures and distributions to Alaris. Management believes the earnings coverage ratio is a useful metric in assessing our partners continued ability to make their contracted distributions.

The terms Run Rate Payout Ratio and Earnings Coverage Ratio (the "Non-IFRS Measure") are not standard measures under IFRS. Alaris' calculation of the Non-IFRS Measure may differ from those of other issuers and, therefore, should only be used in conjunction with the Trust's annual audited financial statements, which are available under the Trust's profile on SEDAR at www.sedar.com.

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 financial impact of the GWM Contribution, including the GWM Distribution and adjustments thereto and the impact on Alaris' revenue and net cash from operating activities; GWM's Earnings Coverage Ratio; Alaris' Run Rate Payout Ratio and the impact of the GWM Contribution thereon. 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, net cash from operating activities and Run Rate Payout Ratio) 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 COVID) 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 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 will recover from the pandemic's impact and return to their current operating environments; following a recovery from the COVID 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 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 Trust 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 continue to be impacted by the ongoing COVID and the extent of such impact; the ability of our Partners and, correspondingly, Alaris to meet performance expectations for 2020 and beyond as a result of COVID or otherwise; any change in Alaris' senior lenders outlook for the Trust; a failure to complete the extension of the Facility in line with expected terms or at all; management's ability to assess and mitigate the impacts of COVID; the dependence of Alaris on the Partners; reliance on key personnel; general economic conditions, including the ongoing impact of the COVID 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 Trust or any Partners to obtain required regulatory approvals on a timely basis or at all; changes in legislation and regulations and the interpretations thereof; a failure to achieve expected benefits of the trust conversion; 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 Trust; 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 Trust's Management Discussion and Analysis for the year ended December 31, 2019, which is filed under the Trust'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.

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SOURCE Alaris Equity Partners Income Trust

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