

Alaris Equity Partners Deploys US\$55 Million Into Existing Partners

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CALGARY, Jan. 05, 2022 - [Alaris Equity Partners Income Trust](#) ("Alaris" or the "Trust") (TSX: AD.UN) is pleased to announce the deployment of US\$55 million into existing Partners including transactions with Fleet Advantage LLC ("Fleet"), GWM Holdings Inc. and its affiliates (collectively "GWM") and Body Contour Centers LLC ("BCC") doing business as Sono Bello. These transactions all closed prior to December 31, 2021. With the transactions announced today, Alaris deployed CDN\$359 million in 2021.

Unless otherwise stated, all numbers in this press release are presented in US dollars.

Fleet

The Trust is pleased to announce that it has invested an additional \$25.0 million (the "Fleet Follow-On") in Fleet. The Fleet Follow-On consists of a new \$17.0 million preferred equity contribution (the "Fleet Contribution") as well as an investment of \$8.0 million in exchange for a minority ownership of the common equity in Fleet (the "Fleet Common Equity"). This transaction also included an exchange (the "Unit Exchange") of Alaris' existing preferred equity valued at \$10.0 million. The result of the Fleet Follow-On and Unit Exchange (collectively the "Fleet Investment") results in a total investment of \$35.0 million in Fleet.

"We are extremely excited to continue our partnership with Alaris. This additional investment will allow us to accelerate our robust growth trajectory and strengthen our offering of innovative and award-winning fleet financing solutions to help our clients achieve optimum vehicle productivity, maximum safety, the lowest cost of operation, and meet their Environmental, Social, and Governance (ESG) goals," said Brian Holland, President, Fleet Advantage.

Pursuant to the agreements among Alaris and Fleet, Alaris made the Fleet Contribution and the Unit Exchange for new preferred units (the "New Fleet Units") in Fleet totalling \$27.0 million. The New Fleet Units will result in an annualized distribution to Alaris of \$3.78 million (the "Fleet Distribution"), a pre-tax yield of 14.0%. Commencing on January 1, 2023, the Fleet Distribution will be adjusted based on net revenues. The proceeds from the Fleet Investment were used for liquidity purposes to existing Fleet equity holders. The Fleet Distribution has a payment in kind ("PIK") feature whereby Fleet can elect to PIK up to 2.0% of Alaris' aggregate preferred equity contribution. The PIK is intended to give Fleet flexibility in capital allocation decisions. The Fleet Common Equity will be entitled to common equity dividends if and when Fleet declares such dividends.

GWM

The Trust is pleased to announce a set of transactions with GWM whereby Alaris received \$25.8 million (the "Partial GWM Redemption") for a partial redemption of preferred units and partial repayment of outstanding subordinated indebtedness in GWM as well as a subsequent \$30.0 million investment (the "GWM Common Equity") by Alaris in exchange for minority ownership of the common equity in GWM. The \$25.8 million of proceeds received from the Partial GWM Redemption had an associated cost basis of \$25.0 million. The result of the Partial GWM Redemption and GWM Common Equity investment (collectively the "GWM Transactions") is a total investment of \$106.0 million in GWM.

Following the closing of the GWM Transactions, Alaris has a total of \$76.0 million of preferred equity and subordinated indebtedness (the "GWM Yield Instruments") invested in GWM with \$9.1 million of annualized distributions and interest (the "GWM Payments") on the GWM Yield Instruments. Alaris is also entitled to receive dividends on the GWM Common Equity when and if GWM declares such dividends. Although GWM has frequently paid dividends in the past, no such dividend policy is in place and is subject to GWM board

approval.

"The programmatic media industry is expected to grow at an impressive rate over the next 5 years and GWM has positioned itself to capture that growth. The common equity investment in GWM puts Alaris in a position to participate in this growth and also better aligns us with GWM management and shareholders," said Steve King, President & CEO, Alaris.

Body Contour Centers

The Trust is pleased to announce that it has invested an additional \$25.0 million ("BCC Tranche 3") into BCC. The BCC Tranche 3 was part of the original investment commitment in September 2018, whereby BCC would receive 2 additional tranches of capital after achieving certain earnings targets. The \$20.0 million tranche 2 financing closed in December 2020 while BCC easily hit the BCC Tranche 3 hurdle in 2021 and as such, the BCC Tranche 3 financing closed. Following the BCC Tranche 3 financing, Alaris' total investment in BCC is \$91.0 million.

Following the announcements today, the run rate payout ratio remains in the range of 65% to 70%. The Trust has approximately CDN\$333.5 million drawn on its senior credit facility (the "Facility") and CDN\$66.5 million available for investment purposes, while the total senior debt to EBITDA on a proforma basis is approximately 2.46x. Alaris continues to expect a redemption from Kimco Holdings LLC, which will provide the Trust with proceeds of approximately \$60 to \$70 million.

ABOUT ALARIS:

Alaris, through its subsidiaries, provides alternative financing to private companies ("Partners") in exchange for distributions, dividends and interest ("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 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 (after giving effect to the impact of all information disclosed as of the date of this report).

EBITDA refers to net earnings (loss) of a Partner 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.

The terms Run Rate Payout Ratio and EBITDA (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 Fleet Contribution, the GWM Transactions and the BCC Tranche 3, including the impact on Run Rate Payout Ratio; the amounts of the Fleet, GWM and BCC Distributions and adjustments thereto; expectations regarding common equity Distributions on the new GWM and Fleet common equity; and the outstanding indebtedness under the Facility and uses of proceeds thereunder. 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 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 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 continue to stabilize from the economic downturn created by COVID-19 and will not be detrimentally impacted over the next 12 months; interest rates will not rise in a material way over the next 12 months; that those Alaris Partners previously affected by COVID-19 will not see a detrimental impact from COVID-19 over the next 12 months; following a recovery from the COVID-19 impact, the businesses of the majority of our Partners will continue to grow; the businesses of new Partners and those of existing partners will perform in line with Alaris' expectations and diligence; 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 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: the ongoing impact of COVID-19 on the Trust and its Partners (including which, if any, Partners may experience a slowdown or closure of its business); the ability of our Partners and, correspondingly, Alaris to meet performance expectations for 2022 and beyond as a result of COVID-19 or otherwise; any change in the senior lenders under the Facility's outlook for Alaris' business; management's ability to assess and mitigate the ongoing 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 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; 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, including payment of any deferred Distributions, 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 and Annual Information Form for the year ended December 31, 2020, which are filed under the Trust's profile at www.sedar.com and on its website at www.alarisequitypartners.com.

This news release contains future-oriented financial information and financial outlook information (collectively, "FOFI") about increases to the Trust's net operating cash per flow per unit and liquidity, each of which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth above. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on FOFI and forward-looking statements. Alaris' actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and FOFI, or if any of them do so, what benefits the Trust will derive therefrom. The Trust has included the forward-looking statements and FOFI in order to provide readers with a more complete perspective on Alaris' future operations and such information may not be appropriate for other purposes. Alaris disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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:

ir@alarisequity.com
P: (403) 260-1457
[Alaris Equity Partners Income Trust](#)
Suite 250, 333 24th Avenue S.W.
Calgary, Alberta T2S 3E6
www.alarisequitypartners.com

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