

Alaris Equity Partners Announces the Redemption of Brown & Settle

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CALGARY, April 16, 2024 - [Alaris Equity Partners Income Trust](#) (the "Trust" and, collectively with its subsidiaries, "Alaris") (TSX: AD.UN) is pleased to announce the redemption of Alaris' interest in Brown & Settle Investments, LLC ("B&S"), which closed on April 12, 2024, and resulted in gross proceeds to Alaris of US\$71.5 million (CAD\$97.8 million) (the "B&S Proceeds"). Alaris' total return on our B&S investment is US\$30.8 million (CAD \$42.2 million) delivering an unlevered IRR⁽³⁾ of 15% and a MOIC⁽⁴⁾ of 1.5x.

After today's announcement, Alaris will have approximately CA\$166.0 million drawn on its senior credit facility and CA\$334 million available for investment purposes based on our credit agreement that provides for up to \$500 million of indebtedness. Alaris' total senior debt-to-EBITDA⁽²⁾ on a proforma basis is approximately 1.14x. Alaris estimates its Run Rate Payout Ratio⁽¹⁾ to be between 65% and 70% following the B&S redemption.

"Today's exit from B&S crystalizes another successful investment for Alaris. With future deployments into new and existing partners on the horizon as well as the expiration of our convertible debentures in June, these proceeds allow for us to keep a very healthy balance sheet without needing to go to the market. I'd like to thank the management of B&S, who went through some early challenges during our partnership but worked tirelessly to create an excellent outcome", said Steve King, Chief Executive Officer, Alaris.

ABOUT ALARIS:

Alaris, through its subsidiaries, provides alternative financing to private companies ("partners") in exchange for distributions, dividends and interest (collectively, "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-GAAP and Other Financial Measures:

The terms Run Rate Payout Ratio, EBITDA and IRR are financial measures used in this news release that are not standard measures under International Financial Reporting Standards ("IFRS"). The Trust's method of calculating Run Rate Payout Ratio, EBITDA and IRR may differ than from methods used by other issuers. Therefore, the Trust's Run Rate Payout Ratio, EBITDA and IRR amounts may not be comparable to similar measures used by other issuers.

(1) "Run Rate Payout Ratio" is a non-GAAP financial ratio that refers to Alaris' total distribution per unit expected to be paid over the next twelve months divided by the free cash flow per unit. Run Rate Payout Ratio is a useful metric for Alaris to track and to outline as it provides a summary of the percentage of the free cash flow that can be used to either repay senior debt during the next twelve months and/or be used for additional investment purposes.

(2) "EBITDA" is a non-GAAP financial measure and refers to earnings determined in accordance with IFRS, before depreciation and amortization, interest expense (finance costs) and income tax expense. EBITDA is used by management and many investors to determine the ability of an issuer or a partner to generate cash from operations. Management believes EBITDA is a useful supplemental measure from which to determine partner's ability to generate cash available for servicing its loans and borrowings, income taxes and distributions to unitholders.

(3) "IRR" is a supplementary financial measure and refers to internal rate of return, which is a metric used to

determine the discount rate that derives a net present value of cash flows to zero. Management uses IRR to analyze partner returns. The Trust's method of calculating this supplementary financial measure may differ from the methods used by other issuers. Therefore, it may not be comparable to similar measures by other issuers.

(4) "MOIC" is a supplementary financial measure and refers to multiple of capital invested, which is a financial metric used to evaluate the value of an investment relative to the initial capital. Management uses MOIC to analyze partner returns. The Trust's method of calculating this supplementary financial measure may differ from the methods used by other issuers. Therefore, it may not be comparable to similar measures by other issuers.

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 B&S redemption and the financial impact on Alaris including the impact on Run Rate Payout Ratio. 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 are material factors considered by Alaris management when setting the outlook for Alaris. Key assumptions include, but are not limited to, assumptions that: interest rates will not rise in a manner materially different from the prevailing market expectations over the next 12 to 24 months; that COVID-19 or any variants therefore will not impact the economy or any partners' operations in a material way in the next 12 months; 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 ability of our partners and, correspondingly, Alaris to meet performance expectations for 2024; any change in the senior lenders under our credit facility's outlook for Alaris' business; management's ability to assess and mitigate the impacts of any local, regional, national or international health crises like COVID-19; the dependence of Alaris on the partners; reliance on key personnel; general economic conditions in Canada, North America and globally; 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 the expected benefits of the third-party asset management strategy or similar new investment structures and 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, 2023, which is 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.

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