

Oceana reveals funding details of R4.6bn US acquisition

Fishing giant Oceana has revealed the financial details of its R4.6-billion acquisition of the US-based Daybrook Fisheries, indicating the deal would be funded by a combination of cash, equity and debt.



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Oceana announced the proposed acquisition of Louisiana-based fish-meal and oil specialist Daybrook Fisheries on 12 May 2015.

On Wednesday, 27 May, the fishing group said it had up to R2.40 billion cash on hand, but did not specify how much of this would be used to finance the acquisition.

Oceana also said it had raised R1.70 billion in debt in the US and secured R1.20 billion from an equity bridge facility.

Lucky Star, Oceana's wholly-owned subsidiary, will raise a R2.70 billion term facility, principally to refinance an existing short-term facility drawn down to fund the group's working capital commitments.

The equity bridge facility is expected to be repaid out of the proceeds of a renounceable rights offer that will raise equity capital of R1.20 billion, which Oceana intends to undertake after the proposed acquisition has been completed.

The implementation of the proposed acquisition is, however, not conditional on the proposed rights offer.

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