

Case Study

Capitol Health

CAPITOLHEALTH

\$50m

May 2016
Senior Unsecured Notes
Co-Manager

Issue Date	May 2016
Amount	\$50m
Maturity	10 May 2020
Term	4 years
Coupon	8.25%
Margin	600bps over swap

Issuer Profile

Capitol Health Limited (ASX: CAJ) is a large community based (non-hospital/non-aligned) diagnostic imaging (DI) provider that employs over 700 staff and contractors across 70 facilities in Victoria and NSW. Capitol is 5th in the DI market with a 6% market share of its addressable market. It was established in 2001, listed in 2007 (through a reverse takeover) and has a market capitalisation of c\$100m as at April 2016.

Issuer Need

During 2015 Capitol made several large acquisitions for c\$150m funded by a combination of bank debt and equity raisings. After this there was a requirement to re-set Capitol's debt funding structure to more adequately address the needs of the business going forward. Capitol sought the security of longer term financing to effectively mitigate the risk associated with refinancing its existing facilities.

FIIG Solution

By issuing a senior unsecured bond into the capital markets, Capitol was able to term out a portion of their capital structure and reduce the refinance risk associated with their existing banking lines. The group also gained access to a new source of capital through the FIIG distribution network.

Client Testimonial

Capitol Health Managing Director John Condi said "We continue to have a very strong relationship with our senior lender National Australia Bank, but the note issue demonstrates our diligent approach to capital management and determination to diversify our funding sources."

Client Contact

Andrew Harrison
Managing Director
Capitol Health Limited
Ph. (03) 9348 3333

FIIG Contact

Michael Hoffmann
Director - Debt Capital Markets
FIIG Securities Limited
Ph. (03) 8668 8855

FIIG provides general financial advice only. Visit FIIG.com.au/disclaimer for a copy of our disclaimer.