

Case Study

NRW Holdings Limited



Issue Date	December 2016
Amount	\$70m
Maturity	19 December 2020
Term	4 years, callable after year 2
Coupon	7.50% p.a.

Issuer Profile

NRW is a diversified provider of contract services to the resources and infrastructure sectors both in Australia and internationally. These services encompass civil expertise such as bulk earthworks and concrete installation, contract mining works and drill and blast. NRW also provides a refurbishment and rebuild service for both earthmoving equipment and machinery. NRW was established in Western Australia in 1994, and is currently listed on the Australian Stock Exchange.

Issuer Need

In June 2016, NRW had announced a debt rescheduling with its existing financiers, in an effort align the repayment with operating cash flow and facilitate full debt repayment in December 2018. NRW was looking to simplify its debt structure (the existing secured facilities were held with 4 separate institutions) and enable NRW to continue its growth strategy with fewer restrictions.

FIIG Solution

FIIG was able to raise a \$70m Secured Amortising Note for NRW, allowing a full refinance of the existing facilities. The Notes had the same equipment security as the financiers being replaced, however provided longer tenor, less upfront amortisation and the ability to incur further debt (subject to certain conditions). The new financing structure allows for NRW to reinvest excess cash flow for growth.

Issuer Comment

NRW CEO Jules Pemberton said, “The Note structure more appropriately aligns our debt repayments to current earnings and provides significant additional flexibility to support growth opportunities. With a longer term to repay the Notes, around \$20m additional free cash flow will be generated on an annualised basis compared to our current repayment obligations”.

FIIG Contact

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