

Case Study

PMP Limited



Issue Date	November 2018
Amount	\$40m
Maturity	22 November 2022
Term	4 years
Coupon	8.25% p.a.

Issuer Profile

PMP was listed on the ASX in 1991 and is the largest integrated printer and distribution company in Australia and NZ, producing catalogues, magazines, newspapers and books. Its principal activities are commercial printing and distribution of printed media to letterboxes and retail outlets, marketing services and digital pre-media.

PMP is Australia's largest heatset printer, accounting for approximately 55% of the total market. PMP boasts a client base of long-standing relationships with blue chip companies such as Woolworths and Aldi.

Issuer Need

In March 2017 PMP merged with IPMG, expecting stronger earnings as a result. However increased competition from their only competitor led to lower revenue and cost synergies, resulting in the expected uplift in earnings not eventuating. With this background, PMP needed to refinance its existing debt (including the FIIG-arranged \$40m bond maturing in 2019) and establish an appropriate funding platform for the next stage of its business strategy.

FIIG Solution

FIIG was able to review the group's overall strategy and structure a new bond deal that balanced the needs of PMP with that of bond investors. The timing of the bond refinance also required existing Noteholder consent to allow an early redemption prior to the end of 2018. Both existing Noteholders and new investors were invited to participate in the new bond deal. This Consent, Exchange and New Issue process was managed by FIIG. PMP chose to re-issue into the capital markets as opposed to seeking bank funding to refinance due to the added tenor and flexibility that a bond structure provided, allowing them to progress their rationalisation program.

Client Testimonial

In its announcement to the ASX for the new issue, PMP noted that it was pleased with the transaction, stating that *"The New Notes serve to further strengthen PMP's balance sheet by improving the mix of long and short term funding while providing a stable platform for the Company to execute on its stated strategic objectives"*.

FIIG Contact

James Vance

Director – Debt Capital Markets

FIIG Securities Limited

Ph. (02) 9697 8741

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