

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%

Issuer Profile

Capitol (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 the 5th largest participant 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 had 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, diversify its funding profile and reduce the refinance risk associated with the existing banking facilities. The group also gained access to a new source of capital and exposure 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."

FIIG Contact

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