DEALS AND SUITS

# Algoma Central Corporation completes refinancing of long-term debt

Date closed: 12/10/2020
Value: $487 million

On December 10, 2020, Algoma Central Corporation (Algoma or the Company) (TSX:ALC), a leading provider of marine transportation services, completed a refinancing of its senior secured notes and senior secured revolving credit facility that were due to mature during 2021, securing highly favourable terms. The refinancing includes $316 million raised in a private placement of senior secured notes to Canadian and U.S. institutional investors (the New Notes). The New Notes, which have been issued in both US dollar and Canadian dollar tranches, have terms between seven and 15 years and bear interest rates ranging from 3.37% to 4.01% per annum. With an overall effective rate at closing of 3.80%, the New Notes represent a 149 basis point reduction in effective interest rate compared to the existing senior secured notes that they replaced.

Concurrent with the issuance of the New Notes, the Company entered into a new $171 million senior secured revolving bank credit agreement (the Bank Revolver) with a syndicate of four banks. Canadian Imperial Bank of Commerce acted as sole bookrunner, co-lead arranger and administrative agent while, The Bank of Nova Scotia acted as co-lead and syndication agent.

BLG represented Algoma with a team led by Gus Karantzoulis and Cameron MacDonald, and that included Andrew Hodhod, Dionysios Rossi, Paul Murray, Jonas Farovitch and Shane Morganstein.

BLG Team : Gus Karantzoulis, Cameron A. MacDonald, Andrew Hodhod, Dionysios Rossi, Paul Murray, Shane Morganstein