

Ferrexpo prepares to get new PXF for USD 0.5 bln

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Analyst: “We retain our neutral view on Ferrexpo bonds, viewing both the upside and downside risks of its price being balanced.”

KYIV, Aug 9, 2017 - The shareholders of Poltava Iron Ore (PGOK UK), a subsidiary of Ferrexpo (FXPOLN, FXPO LN), agreed at an Aug. 8 meeting to act as guarantors for a new pre-export facility for Ferrexpo, Concorde Capital informed its clients based on an Interfax-Ukraine news agency report. They agreed to guarantee a four-year credit line for up to USD 500 mln with an interest rate no higher than 3M LIBOR + 4pp. Concorde analyst Andriy Perederey added: “There has been no official announcement from Ferrexpo on a possible facility. But we expect that these legal actions will have consequences and the company will receive the pre-export credit line this autumn. The company has healthy debt metrics with net debt of USD 481 mln and a net debt-to-LTM EBITDA ratio of just 0.96x as of end-1H17. The new facility can reduce Ferrexpo’s average cost of debt, which was 7.7% in 1H17. All in all, we retain our neutral view on Ferrexpo bonds, viewing both the upside and downside risks of its price being balanced.

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