

Pamplona gets 635 mln euros of debt for French OGF buyout

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Pamplona Capital Management will acquire leading French funeral firm OGF from Astorg Partners with the help of 635 million euros (\$843.18 million) of debt financing, banking sources said on Thursday.

Private equity fund Pamplona - backed by Russian billionaire Mikhail Fridman - was the winning bidder for OGF earlier this week, the bankers said, in an auction process run by Goldman Sachs, that attracted the likes of buyout houses CVC, Lion Capital and TDR Capital.

The acquisition, which totals around 900 million euros, will be backed with 635 million euros of leveraged loans underwritten by Goldman Sachs and JP Morgan, bankers said.

The debt will be sold in a syndication process to leveraged loan investors and a bank meeting to showcase the deal will take place in London later on Thursday, bankers said.

The financing, around 5 times OGF's approximate 110 million euro earnings before interest, taxes, depreciation and amortisation (EBITDA), is expected to include around 575 million euros of term loan B debt that will pay an interest margin of 450 basis points (bps) over Euribor.

Astorg had contemplated conducting a dividend recapitalisation, a process that increases a company's debt to allow a payout, instead of a sale, but opted to sell after receiving an attractive price for OGF.

Astorg acquired OGF in 2007 from U.S. private equity company Vestar Capital Partners in a 780 million euro buyout backed with 710 million euros of debt, according to Thomson Reuters LPC.

OGF, which has more than 5,500 employees, is itself on at least its third private equity buyer. The 170-year-old firm was owned in the latter part of the 1990s by U.S. funerals company Service Corporation International (\$1 = 0.7531 euros).