
Sims Metal launches capital raising to fund growth

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Sims Metal Management has announced a USD 475 million capital raising to fund a growth strategy. It will raise USD 400 million from a fully underwritten institutional placement at USD 21 a share. A share purchase plan will raise a further USD 75 million.

Sims said that the equity raising provided financial flexibility to pursue growth agenda, including accelerating the company's acquisition growth strategy and currently identified capital expenditures relating to technology efficiencies. The structure of the capital raising aimed to balance the interests of all shareholders.

Mr Dan Dienst CEO of Sims said that "Through the capital raising, the company will be in an enviable position to strengthen its existing business and fund acquisition growth opportunities, which will enhance and expand its industry leading position."

UBS AG Australia was the sole book runner, underwriter and sole lead manager, while Commonwealth Securities is joint underwriter and co lead manager. The share purchase plan will offer eligible shareholders up to USD 15,000 in Sims Group shares.

Sims said that the growth agenda was for both Sims's metal recycling division and the company's recycling solutions business. It added that "Sims Metal Management is now looking to ensure it has the financial flexibility to continue its acquisition growth strategy as opportunities become available. The ability to move quickly and maintain a conservative financial profile is a significant competitive advantage in leading the consolidation of Sims Metal Management's key markets."

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