

# SATS to raise S\$798.8m in rights issue for WFS acquisition



SATS to proceed with nearly \$800m rights issue to partially fund \$1.82 billion acquisition of Paris-based Worldwide Flight Services

[SATS](#) today announced it is undertaking a renounceable, underwritten rights issue to raise S\$798.8m to partially fund the acquisition of [Worldwide Flight Services](#) (WFS).

Entitled shareholders will be allotted rights to subscribe for 323 rights shares for every 1,000 existing shares held as at the record date at the price of S\$2.20 per rights share, representing a discount of 16 percent to TERP. The record date for the rights issue will be at 5.00 p.m. on March 2, 2023.

In a February 22 press release, PCEO of SATS, Kerry Mok said, “WFS will provide SATS with an industry-leading platform from which we can drive future growth and secure greater earnings resilience. The renounceable rights issue allows all shareholders the opportunity to participate in SATS’ long-term growth.”

In September, SATS announced that it had signed a sale and purchase agreement to acquire the world’s air cargo company, WFS, for a total cost of S\$1.82 billion. SATS obtained the approval of its shareholders in a general meeting held in January.

SATS will fund the estimated total cost of the acquisition through net proceeds from the rights issue, a three-year Euro-denominated term loan equivalent to about S\$700 million from SATS’ principal bankers and cash from the company’s existing cash balance.

Venezio Investments Pte. Ltd, an indirect wholly-owned subsidiary of Temasek, has given an irrevocable undertaking to subscribe for its pro rata 39.68 percent entitlement to the rights issue. No commission or fee will be paid to Temasek or Venezio in connection with the undertaking.

The remaining 60.32 percent of the rights issue will be underwritten by the banks. DBS is the lead financial adviser for the rights issue. Together with BofA and Citi, are the joint financial advisers and underwriters. OCBC and UOB are co-lead managers for the rights issue.

In addition, SATS Directors who are also SATS shareholders intend to subscribe for their pro rata entitlements.

Acquiring WFS will also enable SATS to expand its capabilities in the transport of higher-value goods, including pharmaceutical products, vaccines and specialised cargo, on a global scale, the company said.

SATS' proposed acquisition of WFS is expected to close on April 3, 2023 and will create a pre-eminent global air cargo handling platform.