

PhosAgro Sets an IPO Price Valuing Self at Up to \$6.1Bln

By [The Moscow Times](#)

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Fertilizer producer PhosAgro said Tuesday that it had set an indicative price range of \$13 to \$16.50 per Global Depositary Receipt for a market debut it hopes will value the company at as much as \$6.1 billion.

PhosAgro said it was seeking to raise at least \$500 million from the London and Moscow initial public offering prior to a 15 percent over-allotment option, confirming what sources told Reuters earlier this month.

The price range is equivalent to \$390 to \$495 per share, the company said, giving it an equity valuation of between \$4.8 billion and \$6.1 billion.

Russian private companies have been lining up to float on overseas exchanges this year, particularly London, but have so far received mixed receptions as investors often balked at the valuations sought by owners.

At least seven companies have pulled floats, with investors especially reluctant to buy existing shares sold by wealthy businessmen, rather than new shares to fund the company's long-term growth.

The former is the case with PhosAgro, where politician Andrei Guryev is the selling shareholder of a 10 to 15 percent stake, but the company also promises to be a dividend payer.

PhosAgro's IPO prospectus said 30 percent of net profit from the April-to-December period this year will go to shareholders, in line with chief executive Maxim Volkov's forecast of a 20 to 40 percent payout.

Last week, Global Ports defied difficult European markets and the poor track record for Russian floats and completed a \$534 million listing.

Russian companies that have successfully floated this year have raised just under \$4 billion, compared with \$5.5 billion during the whole of 2010.

Citi, Renaissance Capital and Troika Dialog are running the offering, which is due to be completed on July 13, while Credit Suisse and BMO Capital markets are also bookrunners.

Shares in PhosAgro, whose main export markets are South Asia, Latin America and Western Europe, are due to begin unconditional trading on July 18.

The company has secured a petrochemical firm and a bank as cornerstone investors in the offering, sources close to the deal told Reuters last week.

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