

PhosAgro Raises Close to \$500 Million

By [The Moscow Times](#)

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Fertilizer company PhosAgro raised nearly \$500 million in a share offering on Wednesday, with core owners cashing in over half the proceeds and the rest to be ploughed back into the business.

The world's No. 2 producer of phosphate fertilizers priced the deal at \$14 per global depositary receipt, or \$42 per share, strengthening its ability to digest recent acquisitions as part of a broader process of industry consolidation.

Plans for the issue had been set out by the company on Monday.

The offering of existing stock comprised 11.1 million shares, raising \$467 million and enabling the company to fetch a price in line with its initial public offering two years ago, broaden its free float and win inclusion in benchmark indexes.

PhosAgro's main shareholders, led by billionaire Andrei Guryev, will keep 55 percent of the proceeds and reinvest the rest by buying into a separate issue of new shares.

The company said in a separate statement that the price for its additional share issue was also set at \$42 per share. It had earlier registered an issue of 13.5 million new shares.

PhosAgro plans to use the proceeds from the new share sale to finance the consolidation of minority stakes in its production facilities as well as modernization and expansion projects.

The deals will double PhosAgro's free float and boost the stock's liquidity, which a source close to the issue said could lead to inclusion in MSCI indexes, benchmarked by many large institutional investors, as early as the end of April.

A recent Eurobond prospectus showed that Guryev owned 65.5 percent of PhosAgro, with further shares held by management. Prior to the deal, PhosAgro had a free float of 10.7 percent.

"The success of this offering marks another important equity market landmark for PhosAgro," said company chairman Maxim Volkov. "We are pleased that we were able to attract solid demand from high-quality institutional investors."

BofA Merrill Lynch, Citigroup, Credit Suisse, Raiffeisen Bank International, Renaissance Capital, Sberbank CIB and VTB Capital acted as joint global coordinators and joint bookrunners for the offering.

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