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Golub leads its largest unitranche deal yet

The Ontario Teachers portfolio company PetVet will refinance existing debt.

Golub Capital has lead its largest unitranche deal to date, a \$675 million debt facility to PetVet Care Centers, the firm said on Tuesday.

With Golub as lead arranger and administrative agent, the unitranche (or “GOLD”) facility refinanced existing first lien and second lien credit facilities held by the US veterinary hospital provider, according to a statement.

PetVet is a portfolio company of the Ontario Teachers’ Pension Plan, which is a repeat borrower of Golub, the statement showed. Golub acted as joint lead, agent, and bookrunner on a \$232.25 million senior credit facility to support the acquisition of PetVet by Ontario Teachers’ in 2014.

Hyun Chang, managing director at Golub Capital, said in the statement that the refinancing will facilitate future growth of the PetVet, meeting “their dry powder needs, scalability and flexibility in their capital structure”.

In 2015 the lender was also lead arranger on a \$225 million term loan to the Ontario Teachers portfolio company Shearer’s Foods and on a \$355 million debt refinancing to another portfolio company Plano Synergy.

Golub’s mid-market lending group provides senior and unitranche GOLD financings for private equitybacked transactions with hold positions of up to \$400 million, according to its website. The firm also originates or syndicates credit facilities up to \$750 million. The platform provided \$605 million unitranche facility to support the merger of Pet Valu and Pet Supermarket last July.

Ontario Teachers is one of Canada’s largest pension plans, with \$175.6 billion in net assets as of 31 December, its latest annual report showed. The pension plan has earned an average annualized rate of return of 10.1 percent since the plan’s founding in 1990, above its 7.9 percent benchmark, and had C\$175.6 billion (\$132 billion; €118.4 billion) as of the end of last year.

Golub and Ontario Teachers were not immediately available to comment further.