

**FINCO TREASURY MANAGEMENT LIMITED**

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A Limited Liability Company registered in Malta on 9th November 1994, Registration No. C17017

St Anthony Co. P.l.c. 4.55% Secured Bond 2031**Salient Details & Time Table**

Offeror & Issuer	St Anthony Co. P.l.c.
Guarantor	Goldvest Co. Ltd (owner of Casa Antonia & Imperial Palace)
Currency	Euro
Security	Secured
Offer Price	100% at par
Coupon	4.55% per annum
Ranking of the Bonds	The Bonds constitute the secured obligations of the Issuer, guaranteed by the Guarantor, ranking pari passu, without any priority or preference, among themselves. The Bond Obligations shall be secured by the Security Interest. Third party security interests may be registered by the Issuer which will rank in priority to the Bonds against the assets of the Issuer for so long as such security interests remain in effect.
Maturity Date	7 th February 2032
Size	€15,500,000
Listing	Official List, Malta Stock Exchange.
Interest Payment Dates	7 th February annually
Minimum Applications	€2,000 (nominal) and in multiples of €100 thereafter

Business Overview

Casa Antonia Limited directly owns and operates the Casa Antonia retirement home, and directly owns Goldvest Company Limited, which owns the new Imperial Palace retirement home.

The principal objective of the Issuer, St Anthony Co. Ltd, is that of a holding and finance company and to promote, the ownership and operation of nursing and residential retirement homes, offering long term, short-stay, and respite care. As such, the Issuer is mainly dependent on the business prospects of the subsidiaries.

Goldvest Company Limited, was set up on 12 April 1995 and currently acts as the Guarantor of the Group. It is a property holding company and is the legally registered owner of the Casa Antonia and Imperial Palace properties.

Casa Antonia Retirement Home

Casa Antonia is a nursing and residential home, offering long term care, short-stay convalescent, and respite care. The home started operating in 2003 and is located in Balzan, overlooking the Presidential Palace and the San Anton Gardens.



The home has 80 rooms with a capacity of 169 beds. Facilities within Casa Antonia include an outdoor swimming pool equipped with rails; a chapel; and a library. In its current state, this property is currently valued at €20m.

Imperial Palace

The Imperial Palace site is located in central Sliema. The retirement home is positioned at the higher end of the market by offering an upmarket location and wide-ranging amenities. The project incorporates extensive features such as a cinema, gym, meeting rooms, foyers, billiard room, a state-of-the-art spa and indoor pool, and 6 additional roof level rooms offering improved views. Certain amenities will also be open for use by non-residents in order to generate additional income for the Group.

The development comprises of 252 beds across a number of single, double rooms, and shared rooms. It also incorporates a high dependency unit that will cater for 27 residents. Management indicate that the total development costs of the project amount to €23.2m, excluding the land acquisition costs, and the Imperial Palace received its first guests on 3 May 2021. This property is currently valued at €42.6m

Use of Proceeds:

The net proceeds of the bond issue, which are expected to amount within the region of €15.15 million, are earmarked by the Issuer for the following purposes:

- Circa €10.0m to be used to refinance existing bank loans that are currently at Guarantor level;
- Circa €2.0m of bond proceeds shall be used to pay Casa Antonia Ltd for the partial settlement of the amount owed for the acquisition of the Casa Antonia property; and
- Circa €3.15m to be kept for general corporate funding purposes.

St Anthony Co. Plc - Consolidated Financials

Income Statement - Consolidated	FY 2021	FY 2022	FY 2023
	€'000s	€'000s	€'000s
Revenue	4,908	7,840	11,308
Cost of sales	(2,770)	(3,872)	(5,110)
Gross profit	2,138	3,968	6,198
Operating costs	(701)	(866)	(1,080)
Administrative expenses	(1,104)	(1,098)	(1,213)
EBITDA	333	2,004	3,905
Depreciation	(255)	(681)	(1,090)
Operating profit	78	1,323	2,815
Interest income on excess cash	-	25	10
Other income	15	40	211
Net finance costs	(705)	(1,213)	(1,339)
Bond issue costs	(12)	(35)	(35)
Profit before tax	(624)	140	1,662
Income tax	669	253	(386)
Profit for the year	45	393	1,276
Other comprehensive income for the year			
Gains on property revaluation net of deferred tax	7,436	606	1,013
Other comprehensive income for the year, net of income tax	7,436	606	1,013
Total comprehensive income for the year	7,481	999	2,289



Statement of Financial Position	FY 2021	FY 2022	FY 2023
	€'000s	€'000s	€'000s
Assets			
Non-current assets			
Property, plant and equipment	63,017	63,017	63,017
Deferred tax assets	871	1,124	879
Intangible assets	53	53	53
Total non-current assets	63,941	64,194	63,949
Current assets			
Inventories	61	85	112
Trade receivables	224	360	520
Prepayments and other receivables	36	58	85
Cash and cash equivalents	2,482	1,069	2,648
Total current assets	2,803	1,572	3,365
Total assets	66,744	65,766	67,314
Equity			
Share capital	14,676	14,676	14,676
Revaluation reserve	6,594	7,201	8,214
Retained earnings	249	642	1,918
Other equity	(616)	(616)	(616)
Total equity	20,903	21,903	24,192
Liabilities			
Non-current liabilities			
Amounts due to CAL	15,234	13,189	11,948
Bank debt	7,676	7,640	7,567
Amounts due to the UBOs	83	83	83
Bond	15,162	15,197	15,232
Deferred tax liabilities	6,302	6,302	6,302
Total non-current liabilities	44,457	42,411	41,132
Current liabilities			
Trade and other payables	330	461	608
Accrued expenses & prepaid income	1,054	991	1,382
Total current liabilities	1,384	1,452	1,990
Total liabilities	45,841	43,863	43,122
Total equity and liabilities	66,744	65,766	67,314
Net assets	20,903	21,903	24,192



Ratio Analysis

Ratio Analysis	FY 2021	FY 2022	FY 2023
Financial Strength			
Gearing 1 (Net Debt / Net Debt and Total Equity)	63.0%	61.5%	57.0%
Gearing 2 (Total Liabilities / Total Assets)	68.7%	66.7%	64.1%
Gearing 3 (Net Debt / Total Equity)	170.3%	159.6%	132.7%
Net Debt / EBITDA	107.1x	159.6x	8.2x
Current Ratio (Current Assets / Current Liabilities)	2.0x	1.1x	1.7x
Interest Coverage level 1 (EBITDA / Cash interest paid)	0.3x	1.7x	2.9x
Interest Coverage level 2 (EBITDA / finance costs)	0.5x	1.7x	2.9x

Time Table

1. Application forms available	3 January 2022
2. Opening and closing of subscription lists relative to the Offer Period	10 January 2022 to 28 January 2022, both days included
3. Commencement of interest on the Bonds	7 February 2022
4. Expected date of announcement of basis of acceptance	7 February 2022
5. Refunds of unallocated monies	7 February 2022
6. Expected dispatch of allotment advices	7 February 2022
7. Expected date of admission of the securities to listing	7 February 2022
8. Expected date of commencement of trading in the securities	8 February 2022

Our Comments

This is a good investment opportunity.

A Secured Bond with an attractive coupon rate of 4.55%.

This borrower is a first time to the market, whose business revenue is derived from the provision of accommodation to the elderly.

EBITDA is projected to reach €3.90 million from €453 million in 2020 due to the much higher revenues generated by the higher number of occupied beds and the gradual pick-up of the Imperial Palace Operations.

Gearing stands at a slightly high level of 63%, but should drop lower to 57% by 2023.

Interest Cover as at 2022 stands at 1.7 times is also good whilst and all other ratios should give prospective investors' confidence in this company.

It is expected that this bond will be heavily over-subscribed and that not all amounts applied for may be satisfied. It is recommended to inform Finco immediately should you have interest to invest as, due to strong demand, Finco has limited supply to offer.



General Recommendation: Based on the above, and subject to the consideration of the circumstances of each Investor, Finco issues a BUY recommendation to clients to this bond.

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Availability of Prospectus

The Prospectus issued by Issuer is available at our offices for whoever is interested. In this respect, anyone interested may call at our offices to collect a copy.

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