

Revved-up Carsales taps banks for \$1.2bn raise

The \$1.2bn raise by Carsales on Monday no doubt came as welcome relief for equity capital markets bankers that have been waiting for the market to re-open for deals. Goldman Sachs, UBS and Morgan Stanley are working on the entitlement offer that marks the largest equity raising this year.

The \$1.2bn-odd raise is to pay for Carsales' acquisition of the 51 per cent interest in Trader Interactive that it does not already own for \$1.2bn. It overtakes the \$NZ1.2bn equity raising by Air New Zealand in

March as the largest this year. Working on that transaction were investment banks Citi, UBS and Forsyth Barr.

According to Refinitiv's Investment Banking Review for the first half of 2022, there was \$US6.4bn (\$9.2bn) raised in total, down 60 per cent from the previous corresponding period.

Yet with some positive trade in recent days, some believe the bearish run has come to an end, with investors once again seeing some upside in their stocks in the days ahead.

The Carsales offer comprises a

one-for-4.16 pro-rata accelerated non-renounceable entitlement offer where shares are sold at \$17.75, a 14.5 per cent discount to the last traded price on Friday of \$20.76.

Trader Interactive is a leading provider of digital offerings including online advertising and marketing services products.

It serves the powersports, recreational vehicle, aircraft, marine, commercial vehicle and heavy equipment industries through a broad portfolio of marketplaces that reach over 13 million monthly unique visitors.