

# Superior Plus to acquire Retail Propane Business

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Torys acted as counsel to Superior Plus with a team led by Lianne Tysowski and that included Michael Zackheim, Mile Kurta, Robbie Leibel, Alice Lin and Michael Murphy (Canadian and US securities), Nina Mansoori and Jonathan Wiener (debt financing), Corrado Cardarelli and Andrew Wong (tax).

On May 30, 2018, Superior Plus Corp. ("Superior") announced that it entered into an agreement with NGL Energy Partners LP ("NGL Energy") to acquire all of the outstanding equity interest in NGL Propane, LLC ("NGL Propane"), NGL Energy's retail propane distribution business, for total cash consideration of US\$900 million (C\$1.17 billion) subject to customary closing adjustments.

Closing is expected to occur in Q3 2018, subject to customary closing conditions, including receipt of antitrust approval in the United States.

## Financing

Concurrent with the acquisition's announcement, Superior also announced that it [entered into an agreement with a syndicate of underwriters co-led by TD Securities Inc. and CIBC Capital Markets to issue, on a bought deal basis, 32,000,000 subscription receipts at a price of C\\$12.50 per receipt for approximately C\\$400 million](#) to finance a portion of the purchase price. The offering closed on June 8, 2018.

Superior also granted the underwriters an over-allotment option to purchase up to an additional 4,800,000 subscription receipts (or, in certain circumstances, common shares), on the same terms and conditions as the offering, exercisable no later than 30 days after the closing of the offering.

The remainder of the purchase price will be financed with a combination of a draw on Superior's existing credit facilities and a senior secured bridge credit facility. Superior's wholly owned subsidiaries, Superior Plus US Financing Inc. and Superior Plus LP entered into a commitment letter with The Toronto-Dominion Bank and Canadian Imperial Bank of Commerce, pursuant to which the lenders committed to provide a US\$400 million 12-month senior secured bridge credit facility. Superior intends to draw on its current revolving credit facilities for the remainder of the purchase price.

[NGL Propane](#) sells propane and distillates to over 316,000 residential, commercial and industrial customers. With over 1,000 employees in 151 locations (including 61 satellite distribution locations) and a fleet in excess of 1,000 trucks, it services 22 states in the Northeast U.S., Southeast U.S. and Upper Midwest U.S. NGL Propane trades under prominent regional brands, including Osterman Propane, Downeast Energy, Eastern Propane, Atlantic Propane, Anthem Propane, Gas Inc. and Brantley Gas.

[Superior Plus](#) consists of two primary operating businesses: Energy Distribution includes the distribution of propane and distillates, and supply portfolio management; and Specialty Chemicals includes the manufacture and sale of specialty chemicals.

[NGL Energy Partners](#) is a Delaware limited partnership that owns and operates a vertically integrated energy business with five primary businesses: Crude Oil Logistics, Water Solutions, Liquids, Retail Propane and Refined Products and Renewables.

Further information can be found on Globe Newswire's [website](#).

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