

Case study >

Origin Energy corporate refinancing

The deal > The \$7.4 billion corporate refinancing of Origin Energy.

Phases of project > Banking and finance.

The significance > The deal, completed in less than three weeks, is one of the largest individual corporate refinancings to have occurred in the Australian market.

Benefits > The refinancing and revised terms provide Origin Energy with financing flexibility for the future.

‘It is a good time for corporate borrowers to take advantage of favourable market conditions and strong support from domestic and international financial institutions.’

Alan Maxton, Banking & Finance Partner.

In what is one of Australia’s largest ever corporate refinancings, leading integrated energy company Origin raised more than \$7 billion to refinance existing loan facilities and for general corporate purposes. With financing required to complete ahead of Origin’s annual results announcement, this multi-party refinancing was completed in less than three weeks.

The transaction was significant for Origin, not only because of its size, but because it involved updating Origin’s standard banking terms to reflect the current scope and size of its business.

Partner Alan Maxton said the refinancing and revised terms now provide the company with financing flexibility for the future.

‘It is a good time for corporate borrowers, such as Origin, to take advantage of favourable market conditions and strong support from domestic and international financial institutions,’ he said.

A key part of the deal was to conduct separate negotiations with each of the five banks that underwrote the deal, which gave Origin stronger bargaining power.

The Allens team worked closely with Origin’s in-house treasury team. Alan said this deal demonstrated the benefits a firm like ours with extensive market experience can offer to corporate clients.

‘An energy company is not your everyday corporation. You are a lot more involved because you need to understand how the finance ratios work and what’s generating the company’s earning and debt.

‘As a lawyer working on a corporate financing such as this, you need to have a strong understanding of the underlying business and drivers. That way you can navigate the best result and look to strengthen the clients’ long-term position.’