TRACKHAWK ADVISORS

Case Study: GAH $1.05bn Notes Offering

Updated as of 3Q 2026

GAHL
GLOBAL AUTO HOLDINGS

Case Study: Global Auto Refinances Lookers Acquisition Debt

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$1.05bn Senior Unsecured Notes for M&A

- On 1/11/24, Global Auto Holdings (GAH) priced a **$1.05bn** 2-part offering of **$525mm** each of **8.375%** 5yr (non-call two) notes due 2029 and **8.75%** 8yr (non-call three) notes due 2032
- The proceeds refinanced existing debt from GAH's Oct-23 acquisition of Lookers and added cash to the balance sheet
- GAH is one of the largest global auto retailers, operating 179 franchised dealerships across eight countries, including the US, Canada, and the UK
- The bonds were marketed with 3Q23 Pro Forma Adj. EBITDA of **$377mm** (including cost savings), resulting in **2.8x total leverage**
- The agencies used lower pro forma earnings and higher initial leverage than what was marketed to investors because prospective cost synergies were excluded
- S&P expects "adjusted debt to EBITDA will decline to about 4x area over the next couple of years" because of cost savings from the acquisition

Final Terms	2029 Notes	2032 Notes
Pricing Date	January 11, 2024	
Issuer	Global Auto Holdings and AAG FH UK	
Corporate Ratings	B+ / B1	
Bond Ratings	B+ / B2	
Issue	Senior Unsecured Notes	
Amount	$525mm	$525mm
Maturity *Call*	**Jan 2029** *5yr NC2*	**Jan 2032** *8yr NC3*
Coupon *Spread vs US Treasuries*	**8.375%** *(T + 441 bps)*	**8.750%** *(T + 474 bps)*
Yield to Worst (8/6/26) *Spread vs US Treasuries*	**8.490%** *(T + 422 bps)*	**9.340%** *(T + 493 bps)*

Ratings: S&P / Moody's at pricing.

Sources: Simpson Thacher announcement dated 1/23/24; TISE notice of admission dated 1/24/24