

3 Firms Guide REIT's \$1.7B Cold Warehouse Biz Buy

By **McCord Pagan**

Law360 (October 13, 2020, 4:55 PM EDT) -- Real estate investment trust Americold said Tuesday it's buying fellow temperature-controlled warehouse business Agro Merchants Group for \$1.74 billion from affiliates of private equity firm Oaktree Capital Management in a deal guided by three law firms.

Atlanta-based Americold Realty Trust said the deal for ownership of Agro Merchants Group from funds managed by Oaktree Capital Management LP includes 46 facilities across 10 countries totaling 236 million cubic feet of refrigerated space.

Americold is represented by King & Spalding LLP and Freshfields Bruckhaus Deringer LLP and Agro and Oaktree are represented by Latham & Watkins LLP.

"The acquisition of Agro represents a unique opportunity to acquire an institutional-quality global portfolio that facilitates our strategic entry into Europe and adds complementary locations in the U.S., South America and Australia, where Americold is already established," Americold President and CEO Fred Boehler said in the statement.

Americold said it's the world's largest publicly traded REIT focused on owning and operating temperature-controlled warehouses. After the deal closes, the company said its owned and managed properties will include almost 230 facilities, with more than 1.3 billion cubic feet of refrigerated space on four continents.

Oaktree managing director Zach Serebrenik added that the private equity group believes in the potential growth as a result of the deal and consequently is retaining a "meaningful" ownership stake in Agro.

"We are confident that by joining Americold, we will accelerate our growth and by combining our complementary networks, we will be able to provide a more comprehensive range of solutions to customers around the world," Agro CEO Carlos Rodriguez said in the same statement.

As part of the deal, Oaktree and Agro management are buying about 14.2 million shares of Americold's common stock which are subject to lockup until May 2021, the statement said.

Americold's customers include major grocery store chains and food companies such as The Kroger Co., Walmart Inc., Conagra Brands Inc., Perdue Farms and The Kraft Heinz Co., according to a recent investor presentation.

The deal for Agro continues Americold's growth in the last few years.

In January 2019, Americold's initial public offering raised nearly \$725 million and it said at the time it would use its portion of the proceeds to repay debt.

In April 2019, the company said it was paying about \$1.24 billion for Blackstone Group-backed Cloverleaf Cold Storage for its 22 facilities and 123 million cubic feet of refrigerated warehouses.

And in November, Americold also announced the pickup of Canadian warehouse operator Nova Cold Logistics from Brookfield Business Partners which added about 23.5 million cubic feet of space in a deal worth \$253 million.

The deal with Agro is subject to customary and regulatory closing conditions and is expected to close in either late 2020 or early 2021.

In a separate statement Tuesday, Americold said it was financing the deal with a public offering selling at least 29 million shares, which could raise more than \$1.1 billion.

Americold is represented by a King & Spalding team including Spencer Johnson, John Anderson and Zack Davis, and a Freshfields team including Ethan Klingsberg, Andrea Basham, Alex Watt, Palina Pradhan, Alan Ryan, Felix Roscam Abbing, Claude Stansbury, Eelco van der Stok, Jill Gatehouse, Kathleen Healy, Brechje Nollen, Raquel Flórez, Karin Buzanich-Sommeregger and Michael Ramb. Americold's financial adviser is Citigroup.

Agro and Oaktree are represented by a Latham team including Steven Stokdyk, Sean Denvir, Brent Epstein, Jason Kass, Eduard Grigoryan, Jordan Naftalis, James Beeson, Greg Robins, Mark Morris, David Buchanan, Jason Britto, Ana O'Brien, William Kessler, Julie Crisp, Rachel Narowski, Adrien Giraud, Patrick English, Laure Maes, Pablo Clarke, Ana De Santiago Ayon, Catherine Shaw, James Barrett and Jia Jia Huang. The company's financial adviser is Moelis & Co. LLC.

Representatives for Oaktree and Americold declined to comment beyond their public statements.

--Additional reporting by Adrian Cruz, Jon Hill and Benjamin Horney. Editing by Alyssa Miller.