



## Australia: Caltex plans IPO for 250 retail sites

**Petrol giant Caltex is planning an IPO in the first half of 2020 to raise funds and tackle shrinking earnings.**

Caltex Australia has proposed an initial public offering (IPO) for a property trust with an interest of up to 49% in 250 convenience stores.

After a wide-ranging review of its network, the Australian fuel retailer Caltex announced the planning of an IPO to raise funds for the company. Caltex has struggled as it faces significant downturn in profit margins.

The company would keep a majority 51% interest in the 250 sites – half of the current network of 500 petrol stations in Australia – and enter long-term lease agreement for each service station.

With all the appropriate approvals, the transaction is due for completion in the first half of the 2020 calendar year.

"This transaction is expected to release significant capital that could be used to further strengthen the balance sheet, fund future growth opportunities and return capital to Caltex shareholders in a way that unlocks the franking credits balance, in line with our capital allocation framework," said Chief financial officer Matt Halliday in a [Business News Australia](#) report.

The listed trust will receive rental payments from Caltex of up to \$100 million in the first year.