

OXLEY CAPITAL PARTNERS

CAPITAL RAISING IN A COVID WORLD



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Capital Raising in a COVID World

The positive outlook for Australia's food and agribusiness sector continues to snowball.

As the market switches from survive to thrive, alternate capital pools (equity and debt) are injecting capital into local food and agribusiness operations that are chasing growth or transformation via organic strategies or through acquisition.

COVID-19 has disrupted traditional capital raising models, posing difficulties with face to face meetings and getting boots on the ground to inspect operations.

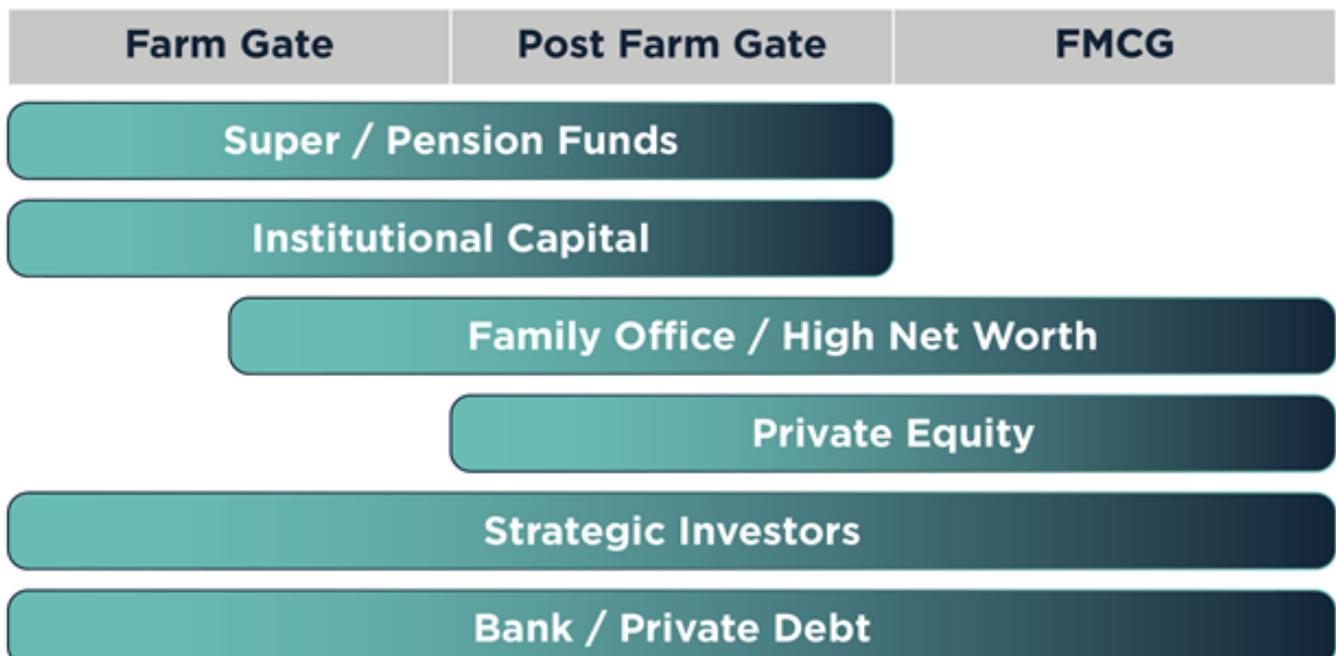
Such challenges are being navigated with investors working through trusted local partners, whereby we are working with local businesses across the supply chain to facilitate growth capital from both domestic and offshore sources.

An increasingly important strategic aspect, in an age of COVID border restrictions, is identifying investment partners that may assist with insight in our domestic market coupled with deep connectivity to local supply channels in key export markets.

Depicted below are types of investment groups we are active with across the food and agribusiness supply chain, investing from the farm-gate through to branded (FMCG) asset lite operations.

Note investor mandates vary, while some investors may only focus on a supply chain segment others may seek exposure to vertically integrated operations, hence being selective on investment partners is imperative to align interests.

Food & Agribusiness Supply Chain Sources of Capital



Sources of capital

Super / pension funds: both local and offshore funds are active primarily at the farm gate, mainly due to their ability to invest over a longer-term horizon, aligning return profiles with their capital commitments.

Institutional capital: active across both farm and post farm gate assets. In addition to pension (superannuation) funds, have been the primary investors in sale and leaseback transactions as they chase risk-adjusted returns without production (agricultural) risk.

Family office and high net worth investors: active across the supply chain given their often discreet but strategic and flexible capital structures.

Private equity: we see participating primarily as post farm gate investors given their focus on branded food products with exposure to end consumers and higher return hurdles.

Strategic investors: may present strong investment alignment through 'bolting on' an investee business into a broader proposition, providing operational support and access to key market channels, both locally and export.

Private debt: market appetite continues to build, in particular its non-dilutive flexible nature may be appealing to founder led high growth businesses.

As we emerge from under the COVID doona, capital will continue playing a critical role to shore up liquidity positions and support operators optimise or 'right-size' balance sheets.

Oxley Capital Partners

Oxley Capital Partners is an independent corporate advisory and investment firm, working with family owned and corporate food and agribusiness operations.

We assist our clients in gaining access to alternate forms of debt and equity capital to support growth or transformation through our global investor platform.

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