



Agribusiness Advisory Services

**ASSISTING CLIENTS TO SEIZE OPPORTUNITIES
AND OVERCOME BARRIERS**



EXPERTS WITH IMPACT™

Our experience

FTI Consulting's Agribusiness Practice covers all key agricultural sectors across the global supply chain. Our dedicated team offer genuine industry knowledge developed from involvement in their own personal agricultural operations.



Aquaculture



Forestry



Beef cattle



Grains & cropping



Viticulture



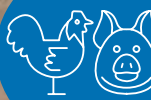
Sheep meat & wool



Dairy



Horticulture /
permanent cropping



Poultry & pork



Processing

No two situations are the same

Outlined below are some of the key questions our Agribusiness team frequently answer for clients.

What is the optimal capital structure for my business?

We review the existing capital structure of the business (including the overall debt to equity ratio) in the context of a range of key factors, including; sector, size, financial performance and overall strategy. We then provide advice regarding the most appropriate capital structure.

What agribusiness sector and/or geography should I invest in?

We assist international and local investors through the investment process by developing a detailed understanding of their motivation, timeframe, risk profile and amount of funds available to invest. Once we establish a customised investment strategy we can assist with asset identification, due diligence, asset management and performance reporting.

How can I better understand and manage cash flow and working capital?

Managing cash flow effectively is one of the greatest challenges facing agribusinesses. The working capital cycle is dependent on the sector and often geography of the business.

We have extensive experience working with all levels of management in reviewing and improving processes for monitoring and managing cash flow. By implementing effective cash flow management, we can help identify future working capital gaps well in advance.

How can I prepare for investment?

Being 'investment ready' is critical to raising additional capital (debt or equity), however, too many agricultural enterprises are not set up to allow effective due diligence. We work closely with the key people within the organisation to provide advice regarding the best strategies, operating activities and financial reporting methods to maximise the chance of successfully raising capital or selling the business.

How do you link strategy, operations and finance?

Many agribusinesses have strong operational capabilities,

although often lack experience and/or time to develop sound strategies.

We assist both corporate agribusiness and family farms in developing a clear link from the strategy of the business through to its key operational drivers. We then help develop an understanding of what drives financial performance and how this can be monitored and measured for success.

How can you maximise profitability and return for investors?

Given the inherent volatility in both commodity prices and weather, we understand that returns generated from operating activities in agriculture will vary. We assist our clients in reducing the risks associated with financial loss and maximise the opportunities for financial gain by undertaking a detailed review of their business in the context of their operating environment. We provide recommendations on how to improve the financial return, assist with implementation and track the progress of all initiatives.

What is my business worth?

Stakeholders often need to know the value of their business in order to guide a range of strategic and financial decisions. Historically, many farm gate agribusinesses have been valued simplistically on the value of the land, rather than on the basis of their production or earning capacity.

We take an analytical approach to determining the value of an agricultural enterprise, including developing a detailed understanding of its current and projected financial performance.

How do you best manage the expectations of investors and other fund providers (including lenders)?

In order for the industry to continue to grow and progress, the standards around investor reporting need to improve in line with increasing investor expectations. We assist agribusinesses of all sectors, sizes and complexity to develop reporting tools that will allow them to better communicate with their investors (including banks) and to ensure a positive and productive working relationship.

Seizing opportunities for growth

We help companies, funds, families and individuals to take advantage of the broader opportunities within agriculture and to identify specific opportunities for growth or improvement in their business.

The global macro-economic forces in agriculture and food production are stronger than ever.

This shift is being driven by:

- A growing and increasingly affluent population in highly populated regions like China, India and South East Asia;
- Changing diets;
- Urbanisation;
- Current and forecast food shortages; and
- A greater awareness from consumers around the health benefits and provenance of the products they consume.

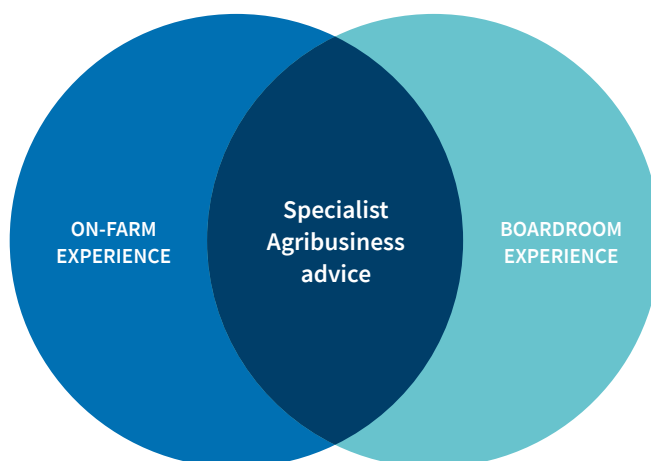
The impact of the above forces is best evidenced by the upward trend in agricultural commodity prices, appreciation in land values, and increasing investment activity in the sector. The goal of our Agribusiness team is to help our clients to identify what this means for them, where the opportunities are and to ensure that they are in a position to take on investment, improve performance and/or deploy capital.

Our approach

We combine our genuine on-farm experience with that of the boardroom to provide expert agribusiness advice to our clients.

Corporate finance services


- Making businesses / opportunities ‘investment-ready’
- Due diligence reports
- Transaction advisory (buy and sell side)
- Equity and debt raising
- Agricultural investment strategies
- Strategic planning
- Bespoke solutions based on our client’s requirements





The goal of our Agribusiness team is to help our clients identify what this means for them, where the opportunities are, and ensure that they are in a position to take on investment.





Our Agribusiness team provides bespoke advice to distressed or underperforming companies, families and individuals and their key stakeholders (investors, creditors, lawyers etc.) to identify the key issues facing their business.



Overcoming barriers to success

We apply our skills, experience and industry knowledge to strive for a positive outcome for businesses and their stakeholders as they navigate challenges or uncertainty.

Our dedicated Agribusiness team has vast experience in assisting clients to address a range of issues, many of which materialise in the form of financial under-performance.

We work closely with our clients to identify the key drivers of current or forecast under-performance and to establish the best way forward in any set of circumstances. Our objective is to help businesses under pressure to establish, evaluate and implement successful turnaround strategies, however if this cannot be achieved, we work with all stakeholders to best preserve the value of the business in a divestment scenario.

We assist our clients by providing an industry specialised team that understands the broader challenges of agriculture and can quickly understand the issues facing any agricultural business across a range of geographies, sectors and sizes.

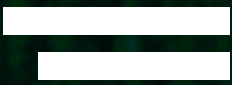
Our approach

We provide bespoke advice to distressed or under-performing companies, families and individuals and their key stakeholders (investors, creditors, lawyers etc.) to identify the key issues facing their business. We then provide practical, hands-on solutions as to the best approach to move forward and achieve a mutually positive outcome.

Corporate restructuring services

- Independent business reviews
- Performance and profitability improvement
- Cash flow analysis and working capital advice
- Turnaround management
- Ongoing business monitoring
- Restructuring services
- Expert witness reports

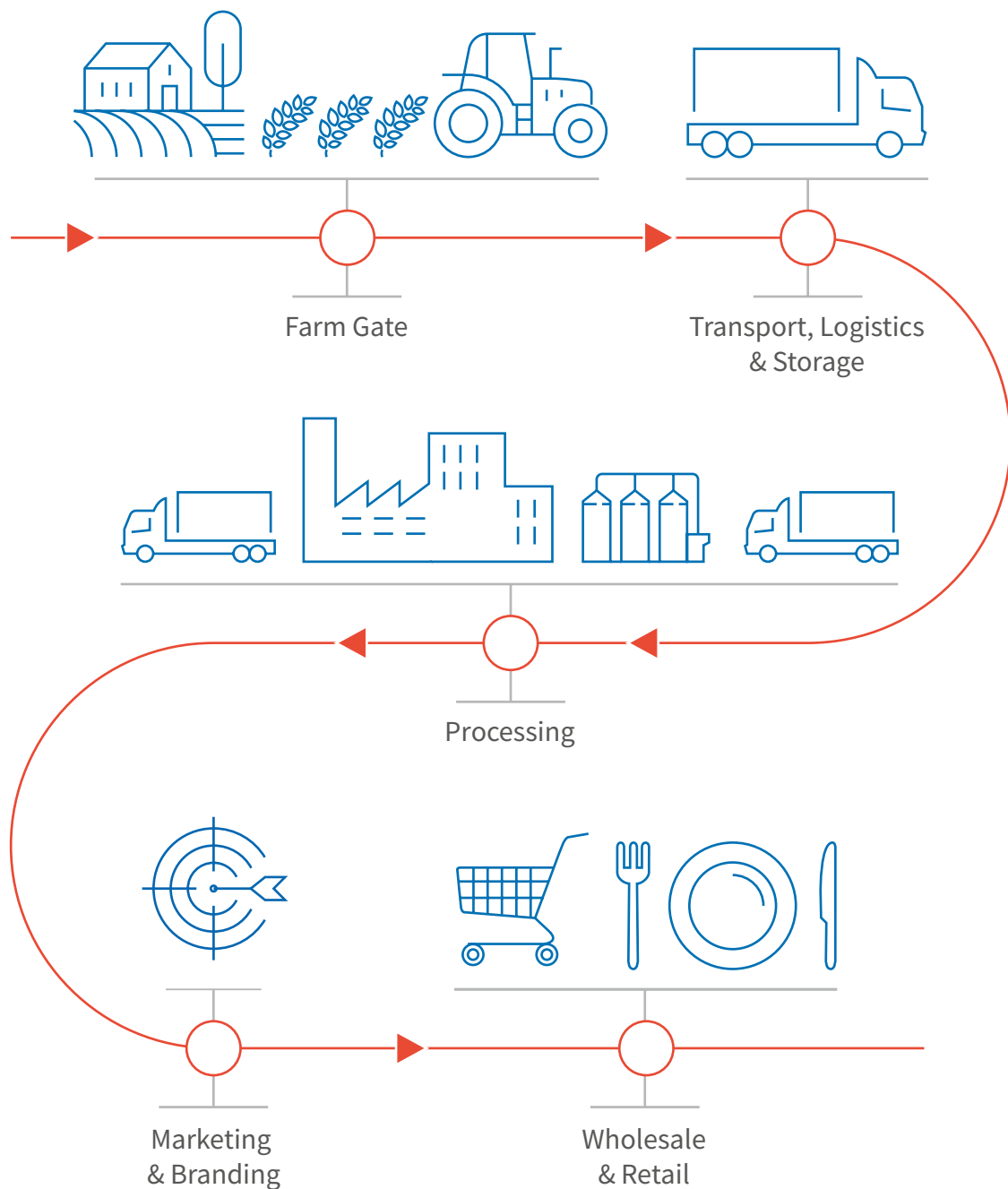




FTI Consulting have hands-on skills and experience in advising agricultural businesses across the entire supply chain.

We work across the entire supply chain

Understanding the agricultural supply chain is critical to success in the industry. We have the skills and experience to provide high quality advice across the entire supply chain.



██████████ We apply our skills, experience and industry knowledge to
██████████ ensure a positive outcome for all stakeholders involved.



Select recent experience

Australian case studies



SELL-SIDE LEAD ADVISORY

Sale of commercial irrigation manufacturer and agricultural chemical retailer.

Situation

- Sell side advisory services to a commercial irrigation manufacturer and agricultural chemical retailer.
- Business was family run in the Bundaberg/Burnett-Mary region for over 40 years.

Role

- Prepare a comprehensive investment model and valuation of the business which was then presented to interested parties.
- Due Diligence management of commercial and financial aspects of the business, including human resources.
- Lead negotiations with the purchaser until financial close to obtain the best possible outcome.
- Assist with Company integration post financial close.

Outcome

- The business was sold to a large ASX listed company via a share purchase agreement.
- The sale ultimately proceeded under a material improvement to the initial purchase offer and terms, whilst retaining value for the purchaser.



SELL-SIDE LEAD ADVISORY

Sale of large-scale irrigation enterprise.

Situation

- FTI Consulting was engaged as Lead Adviser for the sale of a large-scale irrigated broadacre cropping enterprise based in the Riverina, NSW. Total enterprise value of ~\$50m.
- The enterprise held valuable supply contracts and had a very strong financial track record, factors which the vendor wished to leverage in generating some 'goodwill' from the sale.

Role

- As Lead Adviser, FTI Consulting counselled the client on value expectations and developed an agreed list of potential investors to target. In parallel, FTI Consulting prepared marketing materials (including 50-page IM) which clearly articulated the upside of acquiring the enterprise.
- FTI Consulting implemented an EOI sale campaign for the opportunity, which saw >70 parties directly targeted as part of this process.
- FTI Consulting received several strong EOI's, with 2 x parties asked to present binding offers.

Outcome

- FTI Consulting ultimately selected one party to go through to contracts, with settlement occurring in December 2021.

Australian case studies



BUY-SIDE LEAD ADVISER

Assisting a large Australian asset manager carry out due-diligence on large-scale leafy green salad and vegetable producer.

Situation

- One of Australia's largest agricultural asset managers established a new fund with the intent to purchase, develop and own a diversified portfolio of investment grade Australian agricultural assets and lease to high quality agricultural businesses (tenants).
- The subject asset was an established, large scale leafy green salad and vegetable producer located across two locations in Queensland and Victoria with the purpose of a sale and leaseback transaction.

Role

- FTI Consulting's Agribusiness team was engaged by the asset manager to undertake financial and technical due diligence on the leafy green and vegetable producer.
- Our scope included financial and commercial due diligence items including:
 - Inspect properties and associated infrastructure, meet with management;
 - Review and comment on historical/forecast financial performance;
 - Assess and comment on operational performance;
 - Identify and comment on overall tenant risk.

Outcome

- Our due diligence report assisted our client with meeting internal requirements and discussions with the investment committee.
- We recommended the existing tenant was of low risk, based on their historical performance and sound growth strategies.
- The transaction was successful with the asset manager entering into a sale and leaseback transaction and partnering alongside the tenant to continue future production at the property.



SELL-SIDE LEAD ADVISORY

Assisting North American pension fund carry out due-diligence on large-scale vertically integrated horticulture business.

Situation

- FTI Consulting was engaged to assist a North American pension fund consider investment in a large-scale vertically integrated horticulture business in southeast Australia.

Role

FTI's role included:

- Detailed review of each farm including soil types, varieties and age of orchards, irrigation infrastructure, plant and equipment and supporting infrastructure such as sheds and packing facilities. This also included forming a view on the capital works program.
- An extensive review of the commercial aspects of the business including a review of working capital, stock on hand and commercial relationships.
- A complete financial due diligence on the historical financials as well as the management financial forecast for the business.
- A detailed review of the proposed management structure post-transaction.
- A detailed market review of pome, stone and cherry industries.

Outcome

- FTI was able to assist our client get comfortable with the fundamentals of the transaction and successfully negotiate and execute a terms sheet. The transaction settled in July 2021.

Select recent experience

Australian case studies



STRATEGIC ADVISORY

Strategic Advisory review of Cape York cattle industry.

Situation

- A Federal government statutory authority with national responsibilities to assist Aboriginal and Torres Strait Islander people to acquire and manage land, were seeking a feasibility study to explore the current status and market potential of the cattle industry within the Cape York region.

Role

- FTI Consulting was engaged to research and examine the current supply volume of cattle in the Cape York region and develop a feasibility report to examine a collaborative Cape York cattle operation as well as making recommendation for an appropriate business model.
- To achieve the engagement's objective, we undertook the following activities:
 - Visit to the Cape York region to:
 - Meet with key stakeholders, including local council representatives and beef industry participants; and
 - Attend properties to discuss the aspirations of local cattle operators to understand their willingness to work in collaboration with this project.
 - Obtained accurate information relating to cattle supply volumes, productivity systems, identified key on/off-farm challenges faced by producers and other relevant operational data; and
 - Assessed the quality of on and off-farm infrastructure within the communities.

Outcome

- FTI prepared and presented a feasibility report with key findings and suggested strategies on improving the viability of the Cape York region's cattle industry.



STRATEGIC ADVISORY

Strategic Plan for non-for-profit organization .

Situation

- An independent non-for-profit organization committed to biodiversity enhancement throughout Queensland was seeking guidance on how it could become financially dependent, rather than being reliant on government funding and personal donations as income sources.

Role

- FTI Consulting were engaged to provide strategic advisory support to develop a long-term vision and strategic plan with the objective of becoming a self-sustainable enterprise.
- In this engagement, FTI worked extensively on managing expectations and aligning all key stakeholders to develop a strategic plan that would enable the organization to plan projects with certainty, retain the best talent and secure assets that will set it aside from other organisations.

Outcome

- FTI worked with key staff and the executive team to develop an extensive strategic plan document.
- The Strategic Plan was presented to and signed off by the organizations Board of Directors.
- The organization is currently transitioning through Phase One of the outlined plan, where implementation of key operational measures are currently being undertaken.

Australian case studies



PRE-LEND REVIEW AND DEBT REFINANCE

Assisting client with pre-lend review and refinance.

Situation

- FTI Consulting was engaged by a large scale dairy and dryland & irrigated cropping operation located in Northern NSW to assist with a \$70m senior debt facility refinance.

Role

- FTI Consulting undertook a pre-lend review to assess the financial position, proposed growth strategy, and ability of the Group to meet its forecast performance to service debt.
- Following this review, FTI Consulting prepared a 'high-level' overview document which was sent out to their network to determine the level of interest in refinancing the senior debt.
- FTI Consulting introduced a number of interested parties, facilitated meetings with management and assisted with finalising debt structure.

Outcome

- FTI Consulting successfully raised \$70m of senior debt sourced from an alternate debt provider.



PRE-LEND REVIEW AND DEBT REFINANCE

Assisting client with pre-lend review and refinance.

Situation

- FTI Consulting were engaged by a large scale vertically integrated horticultural operation producing strawberries, blueberries and raspberries.

Role

- FTI Consulting visited all farming assets to meet with management and gain further understanding of how business operates.
- The review included a detailed analysis of the historical performance, projections for the next five financial years, assessment of their management and operational structure, assessment of their business strategy, identification of internal and external risks to the business and identification of potential growth opportunities.

Outcome

- FTI Consulting provided the client with a detailed report, which delivered above their expectations with the level of understanding on key metrics proving to be a significant advantage.
- The client was successful with the \$30m refinance of all senior debt facilities to the new financier.

Combined global network and local knowledge

The combination of our global network and our dedicated local Agribusiness team makes FTI Consulting's Agribusiness offering unique both within Asia Pacific and beyond.



INBOUND INVESTMENT FROM ASIA, THE US, EUROPE & MIDDLE EAST

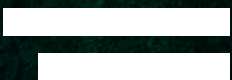
Asia, North America, Europe and the Middle East remain important sources of capital for Australian Agribusiness. We utilise our internal relationships across these continents to expand our reach and to provide unique access and insight for our clients.

EMERGING MARKETS

Through our international offices, we have direct access to a broad range of emerging markets relevant to the growth and development of Agribusiness globally including; China, India, Africa and Latin America.

DEMAND FOR AUSTRALIAN AGRICULTURE PRODUCTS FROM ASIA

As Asia becomes increasingly important in driving Australian Agribusiness forward, our offices in China, Indonesia, Japan, Korea, Malaysia, the Philippines and Singapore give us direct access to a range of professionals and third party relationships we can leverage to benefit our clients.



We service clients of all sizes and structures from across the agriculture industry, including family farming operations, private agribusiness and institutional clients.

Meet our Agribusiness team

Led by Ben Waters, the team has a broad range of skills and experiences advising agribusinesses across different geographies, sectors and sizes.



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Engaging our services

We work closely with our clients to develop a clear scope of work and provide a quoted fee prior to the commencement of any engagements.

RESTRUCTURING SERVICES

Due to the complex and uncertain nature of corporate restructuring and distressed advisory projects, fees charged are often a function of our standard hourly rates.

CORPORATE FINANCE SERVICES

Our services for corporate finance engagements are usually charged on a fixed fee or retainer plus success fee basis (where relevant), which we believe gives both parties the greatest opportunity for satisfaction and success.



EXPERTS WITH IMPACT™

FTI Consulting is an independent global business advisory firm dedicated to helping organizations manage change, mitigate risk and resolve disputes: financial, legal, operational, political & regulatory, reputational and transactional. FTI Consulting professionals, located in all major business centers throughout the world, work closely with clients to anticipate, illuminate and overcome complex business challenges and opportunities.

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