

Project Orange

An opportunity to acquire up to a 100% stake in a long established fruit & vegetable wholesale business who grade, pack and distribute a range of fruit and vegetables.

Industry: Agribusiness

Deal size: \$10M - \$75M

Overview

The Company is a privately owned family business operating since 1964, involved in the grading, packing and distribution of a range of fruit and vegetables, sourced largely through the Riverina, New South Wales.

The products which are graded and packed include:

- Oranges (Navel and Valencia);
- Pumpkins (Butternut, Jap and Grey);
- Watermelons; and
- Lemons

The Company grade and pack into a number of configurations, pre-packs, cartons, crates and cardboard bins for delivery to their customers.

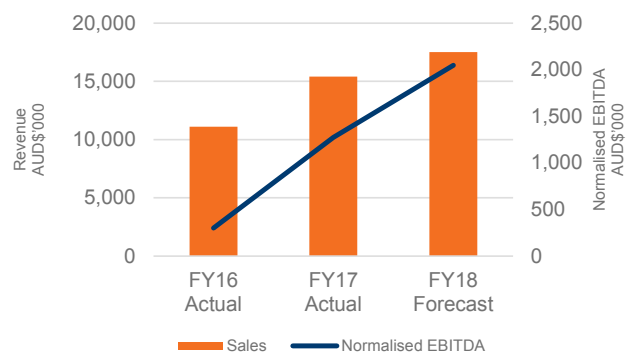
The citrus grading line splits oranges into three grades, with the best grade sold to supermarkets or available for export, middle grade sold to the general market and lower grade sold for juicing purposes.

Best grade pumpkins are sold directly to supermarkets. Lower grade pumpkins are cut, packed and then sold to supermarkets. Wastage from pumpkins is provided to external parties to be used in stock feed.

Customers include market based wholesalers, market agents, small to medium retail outlets and major retail chains.

The Company has relationships and arrangements with out of state growers in order to maintain consistent supply of produce which may otherwise be affected by seasonality.

Financial Information



John Blight
Partner, Corporate Finance

T +61 3 8635 1882

M +61 413 480 732

E jblight@shinewing.com.au

Riley Lengrand
Consultant, Corporate Finance

T +61 3 8635 1801

M +61 410 665 267

E rlengrand@shinewing.com.au



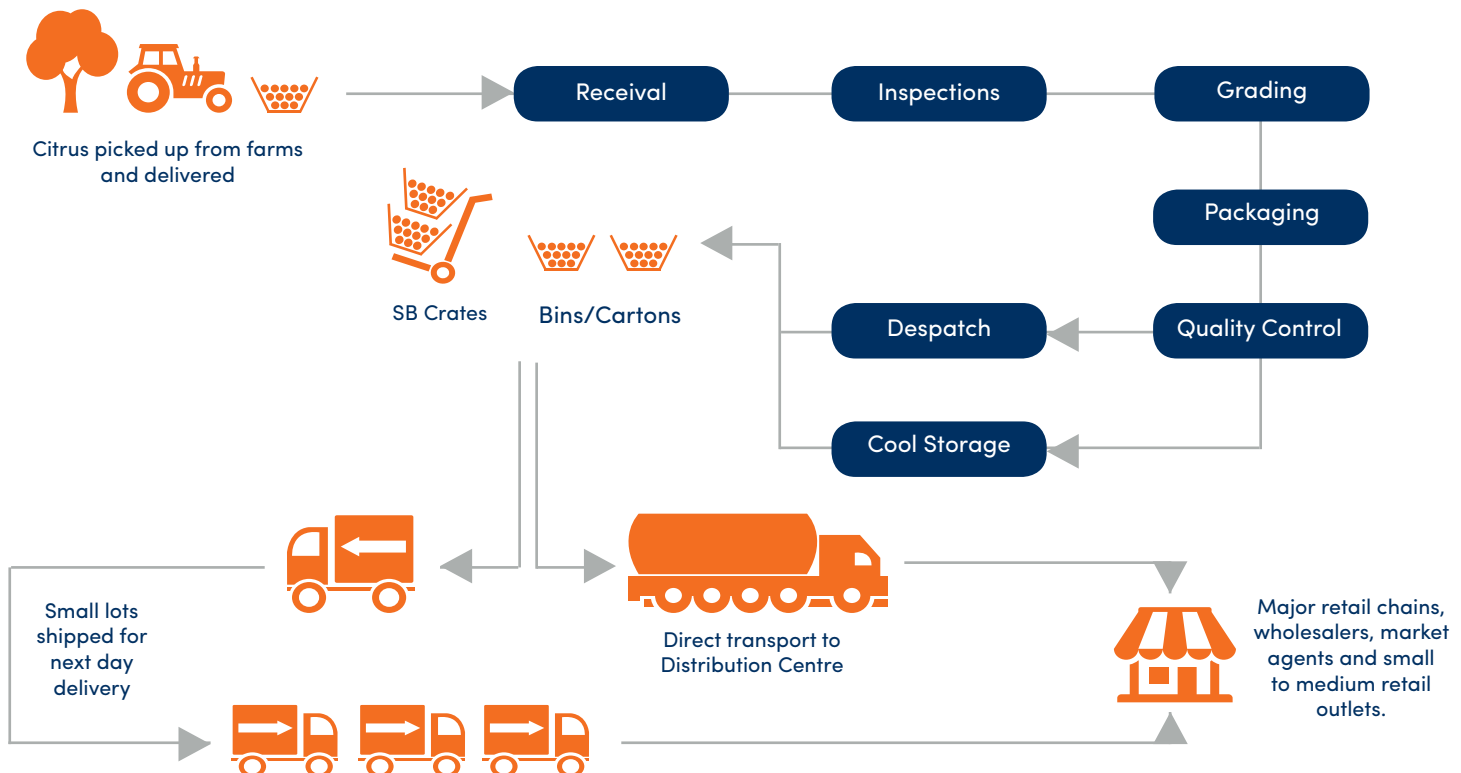
Key Investment Highlights

- The Company has long standing relationships with key customers and suppliers.
- The Company recently made significant upgrades to machinery resulting in increased capacity and reduced labour costs, including:
 - Two new packing machines which are able to prepack into any configuration.
 - A new automated citrus packing line.
 - Upgraded citrus grading line now includes an optical scanner with state of the art blemish sorting and sizing.
 - The pre-packaged cut pumpkin line has been upgraded to a new flow wrap system equipped with an evacuated gas fill, which results in better presentation and shelf life.
 - A 100kw solar power system installed to supplement mains supply, with potential savings of up to 30%.
- The Company processes all parts and grades of oranges and pumpkins for sale, resulting in zero wastage.
- The vendor has over 50 years experience and is open to agreeing a transition period to assist the purchaser develop relationships with customers and growers.

Growth Opportunities

- The vendor has relationships with other growers, providing an opportunity to integrate these farm assets, with water rights, into the business and expand existing operations.
- With the recent machinery upgrades and ample existing cold storage, the business has the capacity to increase throughput without additional capital outlay.
- There is a global shortage of citrus due to extreme weather and disease in major citrus producing countries including the US, Brazil and South Africa, which will result in a surge of export opportunities and increased prices for fruit and juice. No price increases have been assumed in the sales forecast for FY18.
- The Australian Federal Government has signed four free trade agreements since 2013, with South Korea, Japan, China and the ASEAN region, which will progressively reduce or eliminate import tariffs on many Australian agricultural products and increase export opportunities.

The Distribution Process



John Blight
Partner, Corporate Finance

T +61 3 8635 1882

M +61 413 480 732

E jblight@shinewing.com.au

Riley Lengrand
Consultant, Corporate Finance

T +61 3 8635 1801

M +61 410 665 267

E rlengrand@shinewing.com.au

