



Operational and Financial Due Diligence for Investor Roc Partners

FTI Consulting's dedicated Food and Agribusiness team was engaged by one of Australia's leading private markets investment managers, Roc Partners, to assist in assessing the merits of investing in a portfolio of properties associated with the NZX-listed New Zealand Rural Land Company ("NZRLC").

SITUATION

Since making their first investment in 2021, NZRLC has strategically developed a geographically diversified asset portfolio across New Zealand's North and South Islands worth ~NZ\$350m. All assets were subject to long-term lease arrangements with several key farming tenants.

NZRLC employed New York adviser Perella Weinberg Partners to find an investor to take a 25% stake in their portfolio to pay down debt and provide capital for future investment opportunities. Roc Partners was identified as a match during this competitive process and was granted exclusivity to conduct due diligence and complete the transaction.

To increase confidence in the transaction, Roc Partners sought a corporate advisory team with specialised agribusiness skills and experience to conduct the strategic review of NZRLC's asset portfolio.

OUR ROLE

Roc Partners engaged FTI Consulting’s dedicated Food and Agribusiness team to assess the strength of the underlying farming tenants involved with the portfolio of assets, with a particular focus on:

- Assessing management capability and business strategy
- Reviewing and commenting on historical and forecast financial performance to determine their ability to meet future lease payments
- Assessing the historical operational performance (including milk quality and animal health)
- Comparing historical production against industry benchmarks
- Assessing compliance with ESG and environmental standards
- Assessing overall asset and tenant risk

As part of this exercise, FTI Consulting committed two days to meet with several tenants on-farm in New Zealand.

The deal was subject to a fixed exclusivity period so our team had particularly tight deadlines to meet undertaking the review and presenting their key findings.

OUR IMPACT



FTI Consulting met the tight deadline to finalise our review and present our report, allowing Roc Partners to secure internal approval and submit a final offer before the exclusivity period ended.



Our due diligence report instilled confidence and enabled Roc Partners to make their binding offer to NZRLC, settling the transaction in 2024. This marked the third acquisition for their open-ended ‘Agri+Infrastructure Fund’ launched in 2021 which now has AU\$300m in commitments.



Our experts identified several key recommendations during the due diligence process (primarily around the financial reporting, management information and condition of the key infrastructure supporting operations of the underlying tenants). These will form part of the ongoing business improvement process now that the transaction has settled.



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