

# Case Study

## Stockco Holdings



<b>Issue Date</b>	October 2016 & March 2017
<b>Amount</b>	\$47m (\$30m Issue. \$17mTap)
<b>Maturity</b>	6 October 2022
<b>Term</b>	6 years
<b>Coupon</b>	8.75% p.a. paid monthly in arrear

### FIIG Contact

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### Issuer Profile

Established in 2014, Stockco is the Australian subsidiary of a livestock finance group established in New Zealand and has been operating for more than 20 years. In this time, it has funded more than NZD\$1bn of livestock. Stockco's specialist finishing finance product provides short-term finance facilities for pasture and feedlot based cattle and sheep producers. The finance is provided for finishing purposes, where young, healthy livestock are on a rising plan of nutrition that are rapidly increasing in value and the where the risk of mortality is low.

### Issuer Need

Stockco was provided start-up capital by Nomura in 2014 and since that time had successfully replicated their model in Australia and had grown the loan book to AUD\$85m. Stockco was looking to diversify its funding structure and allow for more sustainable growth. As part of this process, Agribusiness giant Elders invested equity into Stockco.

### FIIG Solution

FIIG was able to provide an initial \$30m tranche of Subordinated Notes to refinance Nomura and reduce the senior lender's exposure and provide headroom for additional financing at the senior level. Following the successful Notes issue in October 2016, Stockco grew in excess of their forecasts, and an additional \$17m was raised to provide additional headroom at the Senior level.

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