

AGR Purchases 19.5% of Ridley Corporation

Company Overview

- AGR Partners purchased 19.5% (\$56MM) of Ridley from Guinness Peat Group, a diversified financial investor in wind down.
- Australia's largest animal feed and service rendering business generating ~\$750MM sales and ~\$40MM EBITDA in 2013:
 - Ridley Stockfeed: produces 1.5MT of feed (25% market share).
 - Ridley Rendering: processes ~200kt of waste protein (28% market share).

Investment Highlights

- Investment thesis
 - Highest volume and lowest cost provider of animal feed and rendered product in Australia.
 - Strong free cash flow generation (+8% FCF yield) and numerous attractive reinvestment opportunities.
 - Ridley's protein production customers are benefiting from strong Asian demand and Australian population growth.
- Ridley is a platform to consolidate the Australian rendering sector.

