



Business Finance that gives you *Options*

Fundraiser Results by Salesperson

PARTICIPANT	UNITS SOLD
Ashley	11
Chloe	15
Justin	9
Selena	14
Taylor	21



Capital Options
Australia

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What We Do

Capital Options Australia (COA) specialises in business finance.

Our clients are mid market ASX listed and private businesses

Arrange debt funding, typically between \$1 – 30 Million, for:

- Working Capital & Trade Finance
- Business Acquisitions
- Loan Refinancing
- Equipment Finance
- Industrial Property Purchases (by trading businesses)

Achieve funding goals, economically, for CFO's and business owners that are short on time and resources

Drive superior financing results – through credit expertise and relationships with financiers

Bring credibility, expertise & experience – senior management has transacted over \$2 billion in loan funding

How We Help Clients

We Assist Mid Market Businesses That :

Want A Better Financing Solution Than They Currently Have

- More appropriate financing product
- Better pricing that improves their profitability
- More flexible loan terms and conditions, covenants
- Getting rid of excessive security requirements

Want Access to Different Funding Options

- Most mid market businesses are overly reliant on one lender – this can be a considerable financing risk
- Today, there are several bank and non bank funding options clients can choose from, depending on their need – which diversifies financing risk
- Businesses don't want to be restricted in their access to funding by the value of their property and want to also leverage the strength of their cash flows as a basis of borrowing

Are Time Poor and Want to Engage an Expert to get Superior Funding Results

- Arranging finance is a time consuming exercise that requires banking knowledge, expertise and connections at banks and specialist funders
- Unless businesses have up to date debt market knowledge it is hard to negotiate competitive loan terms and conditions.

See a Strategic Benefit in Having a Consistent Point of Contact for Banking and Finance Needs

- Bank relationship managers keep changing
- Businesses want someone that they can rely on consistently over time to understand their business goals and provide funding options that cater to differing needs over time.
- Someone that can think strategically about what's appropriate for today, with one eye to the future



Why Clients Choose Us

We Have :

A Wide Network of Lender Relationships

- We aren't tied to any one lender and have relationships with a wide network of financiers
- Lender relationships include Big 4 Banks, Mid Tier Banks, Receivable Finance Companies, Equipment Finance and Leasing Financiers and also Specialist Financiers.

Corporate Finance Expertise

- Over \$2 Billion in lending experience
- Ability to provide sophisticated financial and credit analysis, loan structuring and risk mitigation strategies.
- We are not restricted to a "tick and flick" asset & property finance approach to lending.

Strong Business Lending Credibility

- We have strong credibility with banks and financiers because of our experience, expertise and ability to provide high quality credit submissions for business lending.

Which Means That We Can :

Provide Clients with Better Financing Results

- We can submit expertly prepared lending proposals to banks and financiers so they have a deeper understanding of a client's needs and credit position
- This allows financiers to provide better pricing, terms and conditions than they otherwise would have.

Save Significant Time and Effort

- Negotiating loans is time consuming and, to get the best results, needs expertise and lending contacts.
- So, Even If business clients are time poor and lack banking skills and connections, they can still get access to competitive financing by engaging Capital Options Australia.

Provide a high ROI, Strategic Business Resource

- The value we drive will be several multiples of any fees paid to COA.
- Bank relationship managers change frequently, COA can be a constant relationship point of contact for strategic financing solutions.



Case Studies

Access to Additional Working Capital \$7m, Receivable Finance Facility

Requirement – NSW based ASX listed business, which had been through a tough trading period in FY16 and FY17, was looking for additional working capital for growth. Existing lender did not have credit appetite. Infrastructure spend in the Eastern Seaboard saw it receiving new business, but was restricted in its ability to take on new contracts, for lack of working capital – Incumbent bank would not extend additional lines, till it saw a full 1-2 years of improved profitability.

Solution – Recognising that the client had a high quality debtor book, Capital Options was able to find a bank and non bank solution that provided additional working capital based on a receivable finance product. Of the 4 major banks, only two have receivable finance products. Also, a non bank lender, was able to provide a strong proposal with no covenants, which was attractive to the client.

Loan Refinance on Better Interest Rates & Terms \$5m, Bank Loan Facility

Requirement - Food Manufacturer had achieved a turnaround in their business and profitability was much stronger over the last two years. Historically funded through more expensive debt, they wanted to reduce interest cost. They had customer concentration risk and property collateral did not cover the full funding requirement.

Solution – Through a detailed credit analysis of historical and projected financials it was possible to get bank credit officers happy to lend to the business on improved terms– as their credit parameters like Interest and Debt Service Cover ratios, overall security package, industry prospects and management quality were shown to be of high quality. Client achieved a \$190K p.a. saving in interest cost (~\$1m saving over a 5 year loan term).

Acquisition Finance \$13m, Acquisition Finance Facility

Requirement – ASX listed company had an opportunity to bid for a rival business that would give it access to a high quality client base, improve economies of scale and deliver synergies that improved profitability. Acquisition price was outside the lending appetite for incumbent financier.

Solution – Different banks have varying appetites for transactions based on their perception of industry risk, products available (receivable / cashflow), competency of bank staff looking at transactions etc. Capital Options was able to successfully place the transaction with a big 4 bank that saw the transaction from a different lens and approve the acquisition funding facility based on a detailed Information Memorandum we had prepared.

Equipment Finance – Specialised Equipment \$1.5m, Chattel Mortgage Facility

Requirement – VIC based large traffic solutions company was looking to finance specialist equipment which incumbent banks would not support on account of the specialised nature of equipment and limited after market value. Client was currently funding this equipment out of working capital lines.

Solution – Capital Options prepared a credit paper that highlighted the credit strengths of the business to a non big 4 bank. We were able to demonstrate clear debt service ability and demonstrate that the bank would make higher margins on specialised equipment. Bank approved a special equipment finance limit, and it was a win win for both the bank and the client. Client was able to dedicate working capital lines for growth which was a high RoE investment for them, offsetting higher interest cost.

How It Works

Loan Arranging Process

1 Initial Discussion – Client Requirements & Funding Options

- Discuss existing arrangements – what works, what doesn't work.
- Identify ongoing funding requirements – how will new funding add value.
- Highlight funding options and targeted lenders to approach

2 Client Mandate – Information Memorandum & Lender Discussions

- Based on the funding options discussed above, client mandates COA to approach targeted lenders. Getting superior financing results has a lot to do with how a transaction is presented to lenders.
- COA Prepares a detailed Debt Information Memorandum 'IM', a 7-10 page document that gets discussed with targeted lenders.
- The IM describes business details, reasons for financing requirement, financial analysis, identifies credit risks and mitigants and merits of the transaction.
- The depth of information and analysis presented upfront, allows lenders to best understand the business and transaction and is a critical step in building credibility and achieving superior financing outcomes – this is a key differentiator to other standard approaches to arranging financing.
- COA facilitates interaction between clients and lenders for specific queries.
- Lenders provide Indicative Credit and Pricing for transaction – discussed with client for evaluation of options. Client chooses preferred funding option.

3 Credit Approval And Funding

- COA prepares formal credit submission to selected financier(s)
- Manages approval process, facilitates lender + company interactions and helps with lender credit questions
- Credit Approval and Funding completed

Fees

1 - Initial Discussion with Client

- No Fees

2 - Client Mandate

- Mandate Fee of \$1,000 - \$5,000 (+ GST) depending on size and complexity of transaction
- Payable upon signed Mandate Letter

3 - Credit Approval And Funding

- Standard Transactions - No Fee
- More Complex Transactions – that are likely to take significant time and effort, COA may charge an additional Success Fee, which will be disclosed upfront in mandate letter (Stage 2).

COA Executive Team



Shagun Banerjee Managing Director

Shagun has 21 years experience lending to both mid market and large corporates.

Prior to setting up Capital Options Australia, Shagun's main career stints were with GE Capital's Commercial Finance Business and Standard & Poor's Credit Ratings.

Shagun has worked closely with business owners of mid market businesses, CFO's of private and ASX listed companies and brings a high level of credibility, can-do attitude and strategic thinking to any client relationship.

Having had senior relationship management as well as credit roles, Shagun is able to understand a transaction from the point of view of all stakeholders – the client and lender – and this is instrumental in achieving successful funding outcomes.

Shagun has worked in mid market finance in Australia for the last 11 years and prior to that his career took him to New Zealand, Asia and India.

A graduate of GE Capital's Global Leadership Development Program, Shagun has a Bachelors Degree in Economics, an M.B.A and a Masters in Applied Finance.

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