

Debt Webinar

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BLUEMOUNT
CAPITAL®

Introductions



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Company Overview



Brisbane Office:
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- BlueMount Capital – National Australian corporate finance and advisory group
- Formed in 2011 - the only national “mid tier” corporate finance group in Australia offering the full suite of corporate finance and advisory services including:
 - Capital raising
 - M&A
 - IPO & RTO
 - Project Structuring, cross-border transactions and market access.
- We leverage multi-office, multi-country experience with senior principal expertise across a range of industries
- BlueMount has approximately 80 staff in Australia, the USA and China.

Service Offerings

Corporate Advice

Strategy, Business Options, Structure, Financial Model, Roadmap, Investment Teaser, Transaction, Exit Pathways

Commercial & Corporate Debt

Financial Model, Investment Teaser, Investor outreach and close

Raising Equity Capital

Financial Model / Forecast, Share Capital Structure, Valuation, Investment Teaser, Investor outreach and close

Merger and Acquisition

Buy Side / Sell Side

Financial Model / Forecast, Share Capital Structure, Valuation, Investment Teaser, Investor outreach and close

Industry Sectors

Energy, Resources, Mining Services, Software, Manufacturing, Healthcare, FMCG, Food, Agriculture, Financial Services

Investor Opportunities

Curated deals for investors, deal matching and support

Bonds,
Sukuk Financing,
Funds Management, IPOs,
Investment Banking

Introduction to BlueMount Capital

- BlueMount Capital has over 10 years' experience successfully raising capital for clients, both equity and debt.
- The Team comprises highly qualified, experienced professionals with extensive experience in all aspects of corporate strategy, business operations and capital market transactions.
- We focus on deals greater than \$5m.
 - However, smaller deals starting from \$50,000 can be funded through debt, and
 - Deals under \$5m. can be undertaken with BlueMount's sister company, **Funding Strategies**.

Debt or Equity?

The decision to obtain debt or equity funding depends on a range of factors – the key ones being:

	Debt	Equity
Timing	Quicker	Slower
Corporate structure	Flexible	Holding Co / Pty Ltd
Valuation	n/a	Need share capital structure and valuation
Dilution	n/a	Existing shareholders will be diluted
Security	Assets of the business or of the founders used as security	n/a
Cost of capital	Payment of fees, interest rate and principal	Payment of fees, cost of dilution (don't need to pay back capital)
Investor exit	Refinance or cash flow	Trade sale / IPO
Investor ready	Needed (cash flows, P&L, Balance Sheet, forecast, business plan / Teaser)	Needed (cash flows, P&L, Balance Sheet, forecast, business plan / Teaser)

What debt options are there?

There are many forms of debt funding, each with their own characteristics and applications:

- Business Loans
- Debtor/Invoice Financing
- Venture
- Acquisition
- Equipment Finance
- Trade Finance
- R&D Lending
- Convertible Notes

Does my business qualify for debt funding?

Each debt funding option and specific funding party has different requirements and criteria. Some of the key requirements include:

- **Secured vs Unsecured:**

Some lenders require security

- Business
- Property
- Directors guarantees

Other lenders may not but tend to lend smaller amounts and charge higher interest rates.

- **Generating Cash Flows:**

Need to provide historic or contracted cash flows

- **Business Trading History:**

Most funders will look for a 2-year trading history before considering an application.

Does my business qualify for debt funding?

Some of the key requirements continued:

- **Credit History:**
Funders review the company's and/or the directors credit history to ensure no previous bankruptcies or defaults on previous debt facilities.
- **Current Debt:**
Funders review the company's current debt facilities and balance sheet. Too much existing debt or multiple debt funders can create issues for lenders.
- **Cash Flow:**
Cash flows need to be sufficient to give lenders comfort around the on-going payment of interest.
- **Security:**
Funders will review possible security options around the company.
- **Exit:**
Need to be able to pay back the principal via re-finance or from cash flows.

How can BlueMount Capital help with raising debt?

- BlueMount Capital assists clients at all stages of the process, covering the following :
 - ✓ **Strategy:** Corporate, market, product etc,
 - ✓ **Corporate Structuring:** Company, organizational, board structure etc,
 - ✓ **Funding Strategy:** Matching the business strategy with a relevant funding strategy,
 - ✓ **Investor Ready Services:** Financial modelling, investment documents, valuations etc,
 - ✓ **Sourcing Debt Counterparties:** Strategically approaching funding parties based on the client's situation,
 - ✓ **Deal and Investor Management:** Handling discussions, negotiations and settlement with funding parties.
- BlueMount Capital appoints specific client managers to each client who will actively engage all stakeholders to finalise a transaction.
- BlueMount Capital can also assist clients post-transaction as their corporate advisor.

The BlueMount Solution

- **Assess initial request and material from the client**
- **Screen for applicability of debt funding, based on current state of the business and information provided**
 - Reputation, credibility, track record in their industry segment
 - Turnover including any recurring revenues
 - Profitability and cash flow
 - Balance Sheet / appropriate security
 - Achievable timing (minimum of 4 weeks)
 - Company structure
 - Clear understanding of their requirements/parameters and use of funds
 - Red flags including defaults, ATO debt, dishonours .. (we may be able to help)
 - Jurisdiction / ESG values
- **Provide options / proposal to the client on how to move forward**

Case Study:



Overview

Drilling Equipment Manufacturers Pty Ltd (Drillman) was looking to acquire the Sandvik Exploration business (circa \$65m Rev). BlueMount Capital provided buy side corporate advisory services as well as arranging the funding for the acquisition including working capital. The deal was global asset purchase with assets in multiple jurisdictions.

Requirements

- Funding for global drilling acquisition + working capital
- Corporate finance, advisory and structuring

Deal Metrics

- Type of Facility: Acquisition Finance
- Facility Size: circa \$27m+ working capital line

Summary

BlueMount provided buy side corporate advisory and structuring advice for this complex transaction. BlueMount sought offers from a number of funders resulting in a successful funding transaction.

Case Study:

The logo for RENTSET, with 'RENT' in white and 'SET' in orange, both in a bold, italicized sans-serif font, set against a black rectangular background.

Overview

Rentset has developed a service that allows customers to purchase a vehicle with a small initial lump sum payment and an option to buy the vehicle at the end of the lease term. The company is looking for additional working capital and asset finance to grow the business to meet the current demand.

Requirements

- Funding for asset finance (trucks & light vehicles) + working capital
- Corporate finance and advisory services

Deal Metrics

- Type of Facility: Venture Debt
- Facility Size: circa \$500K unsecured working capital

Summary

BlueMount provided funding strategy, investment teaser and financial model, virtual CFO and finance options. Completed initial funding within 4 weeks with funder. Rentset is now deploy that capital while a large tranche of funding is being sought.

Case Study:



Overview

The EMF Group of Companies has built a chain of fitness and performance centres focused on providing the affordability of a small 24-hour gym, the personal service of a health club and the amenities and equipment of an elite training facility.

Requirements

- Funding for rollout of new fitness centres;
- Fitout and lease costs.

Deal Metrics

- Type of Facility: Business Loan
- Facility Size: circa \$5m
- Time to Completion: 4 weeks

Summary

BlueMount Capital secured a competitive business loan facility for EMF. Highlights included approval from credit for a larger facility, covenant negotiations to allow further tranches based on agreed business / financial metrics, ability to hold reduced cash bonds for lease security based on security.

Case Study:



Overview

Aware Limited is Australia's leading creator and manufacturer of eco-responsible household consumer products.

Requirements

- Funding for expansion of new manufacturing facilities, group entities and working capital

Deal Metrics

- Type of Facility: Business Loan
- Facility Size: circa \$39m+
- Senior debt, invoice finance and trade finance facilities

Summary

BlueMount Capital secured a competitive corporate debt facility for Aware. Highlights included a comprehensive facility including senior debt, credit cards, invoice, trade and equipment finance as well as an overdraft facility secured against the group.

What information does BlueMount Capital need?

BlueMount will be able to determine the appropriateness of debt funding once prospective clients provide the following:

- **Business Plan or Summary:** A summary of the current business and any future plans for expansion etc.;
- **Current Financials:** The last complete financial year accounts as well as the current financial year to date accounts such as Profit & Loss Statement and Balance Sheet;
- **Directors Asset & Liabilities Statement:** A list of all directors' personal assets and liabilities;
- **Cashflow Forecast/ Financial Model:** A forecast of future cashflows for the business, including any future contracts/agreements etc.;
- **Signed Contracts/Material Information:** Any key contracts on which forecasts are based or any material documents that contract any future cashflows.

Questions?

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For more information please contact us:

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