

BUSINESS

1

NZ Rural Land Co rights issue seeks \$44m

Capital raise to pay down debt and fund more acquisitions.



Tim Hunter

Tue, 25 May 2021



Dairy farm owner NZ Rural Land Company is aiming to raise \$44.3 million through a rights issue to pay down debt and finance more land acquisitions.

The announcement follows shareholder approval yesterday of land acquisitions totalling \$122.7m, partially funded by Rabobank debt of \$43m.

The acquisitions, comprising 14 dairy properties in the South Island bought from Van Leeuwen Group and one dairy property in Southland, pushes Rural Land Co beyond its preferred gearing level of 30% debt to total assets.

Under the rights offer, shareholders can buy two shares for every three they own at \$1.10 a share.

The price represents an 8% discount to the 10-day volume-weighted average price of \$1.20.

Shareholders who do not take up their rights will be able to sell them on market.

Pipeline of land acquisitions

In its presentation to shareholders yesterday, Rural Land Co said it had a pipeline of land acquisitions worth more than \$100m covering dairying, viticulture and green energy production.

The capital raise would “restore debt levels back to initial targets and to prepare for future acquisitions of which due diligence is already underway by the manager,” the company said.

Rural Land Co is managed by a separate limited partnership half-owned by NZX-listed Allied Farmers.

In a statement, Allied said it expected the capital raise would have a positive impact on its earnings because further acquisitions by Rural Land Co would increase the fees paid to the manager.

Rural Land Co listed on the NZX in December after an initial public offer raising \$7m at \$1.25 a share.



Family Trust on 6.6% and Harbour Asset Management on 3.5%.

The rights offer opens on June 4.

Under the land acquisitions approved yesterday, the farms acquired from van Leeuwen Group will be leased to three companies – Sustainable Grass Dairy Ltd, Performance Dairy Ltd and Performance Livestock Ltd.

The executive director of the three lessees are Wilma Van Leeuwen and Dion Van Leeuwen.

Aad Van Leeuwen is a non-executive director of the three companies, while Mark Heer and Paul Tocker serve as independent directors.

The lease terms are for 11 years.



Tim Hunter
Tue, 25 May 2021

Follow @TimHunter5

Contact the Writer: thunter@nbr.co.nz

News tip? Question? Typo? Let us know: editor@nbr.co.nz

© All content copyright NBR. Do not reproduce in any form without permission, even if you have a paid subscription.

↓ TAGS

[NZ Rural Land Co](#)

[Allied Farmers](#)

[Van Leeuwen Dairy](#)

↓ COMPANY PROFILE

NZL

\$1.10

Powered by:

Change:

13/09/2022, 9:20 am

TODAY	1M	3M	6M	1Y	2Y	5Y	10Y
-------	----	----	----	----	----	----	-----

PRICE

\$1.10

TURNOVER

\$0

VOLUME

0

DAILY HIGH

—

52 WEEK HIGH

\$1.22

PREVIOUS CLOSE

\$1.10

MOVEMENT

—

AVG DAILY VOLUME

78k

DAILY LOW

—

52 WEEK LOW

\$1.02

↓ RELATED NEWS



BUSINESS
PROFESSIONAL SERVICES

NZ Rural Land Co buys Van Leeuwen farms in \$114m deal
More tech sales to come as deal activity remains high, PwC says

