

# CASE STUDY

## RON FINEMORE

In 2004 Ron Finemore, AO and CVC Limited (CVC) joined forces with the establishment of Ron Finemore Transport Pty Ltd (RFT). Both Mr Finemore and CVC each took a 50% stake in RFT and in July 2004 acquired Lewingtons Transport Group, a 55 year old livestock transport company that was under administration.

Throughout the acquisition process, CVC was able to compliment Mr Finemore's industry expertise by providing funding, strategic financial advice, assistance in the due diligence process, negotiating with receivers and general rationalisation of the business. CVC Board representation also allowed CVC to assist in identifying further expansion opportunities.

One such opportunity was identified in 2005 via the acquisition of Smiths Transport Orange, established for over 35 years and a leading carrier in the general freight segment in the Central West NSW region. The transaction added short term profit and cash to the existing business base and provided medium to long term strategic opportunities. Again, CVC's financial expertise was integral to the capital raising process and providing considered financial guidance.

Today, RFT has sales in excess of \$85 million, and continues to work with clients

Woolworths, Caltex, Santos, QAF Feeds, Manildra, Masterfoods, Uncle Toby's, Newcrest Mining, United Petroleum and Visy. RFT is now recognised as an industry leader and major operator within linehaul and contract management services.

In June 2014, the CVC Group entered into an agreement to sell its 50% stake in RFT. The agreement provides for 50% of the stake to be bought back immediately with the remaining 50% of the stake to be bought back progressively within five years. The buy-back consists of an initial payment of \$10 million, with the balance to be acquired based on a further \$10 million initial price increasing by approximately 8% per annum. Undertaking the divestment in this manner was determined to be the most expedient mechanism to meet the objectives of the shareholders and stakeholders of RFT and CVC.

The collaboration confirms CVC's long term "patient" view of investments. We are prepared to provide additional funding when opportunities present along with strategic direction to implement growth strategies. CVC is delighted to have been able to facilitate the development of RFT into a significant transport business in the Eastern States of Australia.

**RonFinemore**  
TRANSPORT



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