

The Co-Op

Restructuring Process



The Co-Op is a provider of expert services, products and associated financing to its members and farmers within the Agricultural sector. During 2022 the entity started experiencing cashflow constraints due to its debt burden and weakened equity position. Metis was mandated to act as the Chief Restructuring Advisor to ensure the successful execution of the restructuring/turnaround strategy.

Project Summary

Client	The Co-Op/Die Kooperasie (Humansdorp)
Structure & Presence	South Africa
Industry	Agricultural and Financing
Start Date	April 2023
End Date	February 2025
Transaction Highlights	Successful withdrawal of liquidation application by the Landbank. Restructuring of funding facilities, improved liquidity and strategic equity transaction.

Overview of the entity / business:

- Established in 1944 as a milling company to support local farmers but has been referred to as The Co-Op/Die Kooperasie since 2013. For generations, The Co-Op has provided expert services and products to its members and farmers/customers to enhance the production capacity of their businesses.

High-level scope of services:

- Gerhard Albertyn was appointed as the Chief Restructuring Advisor.
- Lead, advise on and assist with the execution of the turnaround strategy and the consequent implementation of the refinance and/or restructuring of existing debt as well as merger with another cooperative.
- Bolster financial support including a specific focus on enhancing and improving the accuracy & reliability of the cash flow forecast.

Result:

- Improved long term cash flow forecasting and analysis enabling better decision making and continued funding support.
- Active distress management, avoiding a liquidation of the business.
- Support a process leading to a merger transaction introducing a long-term equity partner.
- Trusted advisor to both management and key funders.