



Paine & Partners Fund IV's Maiden Investment Targets EU, Avoids Greece

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Private equity firm Paine & Partners' Fund IV, an \$893 million portfolio focused on agribusiness investing, made its maiden investment in Spearhead International, one of Europe's largest agriculture producers that has been operating in the European Union for the past two decades but has managed to avoid exposure to Greece. The size of the investment was not disclosed.

"Spearhead is a business we have known for many years. It is an opportunity we have remained close with since our first meeting with CEO Tom Green five-plus years ago," Kevin Schwartz, Paine & Partners President and a Founding Partner, told Global AgInvesting News.

According to Schwartz, the food and agribusiness sector is underserved from a private equity perspective, and the firm will benefit from this by meeting global demand for investment across the food and agribusiness value chain. Spearhead currently has farming operations on approximately 85,000 hectares of high-quality agricultural land in Poland, the Czech Republic, the United Kingdom, Romania and Slovakia, he noted.

Spearhead manages what Schwartz described as highly sustainable and traceable supply chains, supplying core ingredients to blue-chip and other customers, including food processors, manufacturers and retailers. Its diversified product offering includes grains and oilseeds, potatoes and vegetables, sugar beet, seed crops, milk and livestock. Spearhead has, over recent years, also developed significant operations in its upstream and downstream businesses, including seed production and supply chain management.

"We see significant high-return expansion opportunities across Spearhead's vertically integrated operations," said Schwartz. To accomplish this, the private equity firm will "capture knowledge and product synergies from the other companies in Paine & Partners' leading food and agribusiness portfolio," he added, such as Verdesian Life Sciences, an investment platform with a focus on plant health and nutrition.

Spearhead's operations are principally outside the Eurozone and centered on EU member states in Central Europe, in several of the most arable and vegetable production locations in countries including Poland. "These areas have excellent logistics for the movement of agricultural products to key markets and involve growing crops on some of Europe's finest soils, in stable temperate climates," noted Schwartz.

One country that Spearhead has bypassed is Greece, whose economic bailout is expected to cost the agriculture industry more than 2 billion euro, reports indicate. "We do not believe that the environment in Greece will impact our firm, Fund IV or our investment strategy. Paine &

Partners deploys a thesis-driven approach to successfully identify, evaluate and invest in the most attractive areas in the space,” noted Schwartz.

Paine & Partners is partnering with John Atkin, former COO of Syngenta, who will serve as Chairman, as well as CEO Tom Green and the rest of the company’s management team and employees. Schwartz said the firm is excited “to unlock Spearhead’s potential and take the company to its next level of growth.”