

Funding application criteria and process

Updated: February 2021

Funding criteria

Futuregrowth is an institutional funder. Our preference is to fund established businesses with a track record and experience. We do not provide funding to start-up businesses.

Application process

Should the funding proposal meet our funding criteria, the application will be prescreened by our analytical team. If the deal is declined at the prescreening stage, we will notify you accordingly.

Funding criteria

Debt funding

- Minimum debt funding of R50m (unless the business is highly developmental and has the potential to grow its funding requirement to R50m+ within the ensuing few years).
- Debt funding is only provided to established businesses that are profitable, have growth potential and are able to demonstrate sustainable cashflows.
- We need to be satisfied that management has the expertise and skills to manage their business and/or the asset that is funded by Futuregrowth.
- We expect the shareholders to have their own money invested, so that their interests are closely aligned with the fortunes of the business.
- The business should have a minimum track record of 2-3 years.
- Must be able to provide copies of the audited financial statements for the previous 3-year period (upon request).

Equity funding

- Minimum equity funding of R10m up to R120m (for established businesses) with a preference for developmental sectors (housing, infrastructure, agriculture, education, healthcare, etc.).
- Strong management/founder teams with a track record.
- Founders should have skin in the game (over and above sweat equity).
- The business should have a minimum track record of 2-3 years (not applicable to venture capital).
- Must be able to provide copies of the audited financial statements for the previous 3-year period (or less for venture capital) upon request.
- There is appetite for equity stakes in newly established companies (venture capital).

Funding proposal to be submitted

The funding proposal should include the following:

1. an overview of the business and management;
2. strategic focus areas;
3. target market/s;
4. critical success factors;
5. key risks and mitigants;
6. how the funding will be utilised;
7. a high-level financial overview;



8. the proposed split of the debt versus equity funding required, and confirmation of existing shareholders and funders; and
9. confirmation of the alignment of interest with the owner/founder/principal i.e. details on any cash participation and/or equity contribution from the existing shareholders.

The equity/debt teams will request further information should the deal progress.

Please note: Only provide a high-level summary as outlined above. We will only request additional information should we proceed. Please do not send through any confidential information at this stage - only once we move to the prescreening phase, will we require both parties to sign a NDA.

Please email all funding requests and proposals to:

businessfunding@futuregrowth.co.za

The equity/debt team will be in contact once they have reviewed the funding request and will provide feedback on the outcome of their decision.