

Working capital & contracts bonding facility for an international lighting supplier & installer.

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The Need:

Our client, an international lighting supplier & installer, experienced more than a 50% revenue growth over the past few years. Founded in 2001, the business was well capitalized and won several business excellence awards. With a blue-chip customer base, they operate in almost a dozen countries in North America, the Middle East and Southeast Asia.

Given their growth and progress billing business model, they were looking for a larger working capital solution to help them manage the timing difference between collection of their accounts receivable vs. the monthly payment of their payroll and ongoing monthly operating costs.

The Solution:

We were able to source them a \$4M margined revolving Line of Credit from a traditional lender to support their working capital needs. The rate was prime +1% and required a limited personal guarantee from the shareholder. The company could borrow between 75% to 90% on Accounts Receivable and 60% on its finished goods inventory up to \$2M. This solution was supported by EDC.

The solution also included a \$1M contract bonding facility which could be used to issue letters of credit, letters of guarantees, bonds, documentary credit and other financial instruments typically provided to businesses in their sector. This part of the solution was also supported by EDC.

The End Result:

This solution provided the shareholder with the financial support to continue to grow the business for the next several years. Our client was also very busy with growing the business and was experiencing some staff turnover in their finance department, so having our team do most of the “legwork” enabled them to focus on the business, and not on sourcing a financing solution for their business.

At Isaacs Advisory, we have extensive experience in advising on, structuring, and sourcing a wide range of traditional and non-traditional financing solutions of \$1M-\$10M for early stage, growth or in-distress businesses. For more information, please contact Adrian Isaacs at (416) 835-4511 or aisaacs@isaacsadvisory.ca

