

BlueWater Partners helps businesses identify and navigate a range of strategic alternatives. We specialize in senior-level advice on mergers, acquisitions, turnaround consulting and performance improvement.

Capital Sourcing: Plastics Products Manufacturer

Plastics Products Manufacturer serving automotive, appliance, and other industry OEMs and Tier I's, missed forecast for two consecutive years due to customer revenue issues.

Situation

- Largest customer fumbled new product launch and second largest customer experienced an extended strike – together, these events led to unexpected lower demand
- Company missed forecast for two consecutive years as a result of these business interruptions
- Despite quick responses by management and profitable performance, company briefly breached bank covenants
- Relationship with senior lender became strained

Solution

- Management engaged BlueWater Partners to assess financing options
- Concluded the company had strong management, excellent financial reporting, and an abundance of collateral, making them attractive to several national asset-based lenders
- Supported management in developing a comprehensive financial package to present to prospective lenders
- Introduced the company to several lenders and presented information
- Facilitated management meetings and plant tours
- Helped the company review proposal letters and negotiate final terms

Results

- Secured a new, larger credit facility with a national ABL lender
- New facility addresses the company's current and long-term growth plans better than the prior facility
- Interest rates on both the line of credit and term loan are 40% below those of prior lender
- Covenants provide more flexibility should history repeat itself

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