



First Time ABL for Sponsor-Backed Industrial Manufacturer

THE CHALLENGE

- A sponsor-backed industrial manufacturer required financing to support a commercialization project and business expansion ambitions.
- The company was new to an Asset-Based Lending framework, facing several first-time challenges:
 - Lack of proper financial reporting infrastructure and borrowing base process experience.
 - Minimal understanding of ABL lender expectations or the steps required for onboarding.

THE SOLUTION

- Crown arranged a \$30 million ABL and term loan solution from a national bank to provide significant incremental liquidity, enabling the company to execute its commercialization and expansion goals.
- The solution included advances on both fixed assets and intellectual property in addition to pre-approved accordion feature.

HOW CROWN PARTNERS ADDED VALUE

- First-Time ABL Expertise:
 - Strategized with sponsor prior to launch on tailored go-to-market strategy.
 - Worked with the client's financial management and sponsor to review, analyze, and reformat financial data in a manner most conducive to ABL lenders, including borrowing base and cash management processes, ensuring compliance with ABL requirements.
- Proactive Market Engagement:
 - Conducted diligence and market channel checks pre-engagement to set appropriate expectations with sponsor and client.
 - Crown's effective marketing process resulted in 12 actionable term sheets.
 - Leveraged Crown's specialized knowledge of ABL underwriting and strong relationships with top ABL lenders to secure the best terms.
- Process Management and Negotiation:
 - Led the Company through the nuanced underwriting and documentation process to ensure timely closing.
 - Supported communication between all stakeholders, including sponsor and lenders, throughout the transaction.

TRANSACTION SUMMARY

TRANSACTION

- \$30 million Commitment
- Revolving and Term Loan Credit Facility

COMPANY

- Private Equity Sponsor-backed industrial manufacturer
- First-time ABL borrower

PROCESS

- Competitive process with 12 term sheets
- Accretive deal structure from a national bank exceeding liquidity needs

TESTIMONIALS

"The Crown team proved incredibly valuable in advising us on our strategy for approaching the asset-based financing market to best serve HGS's business plan, balancing flexibility, cost and long-term partnership. I appreciate the Crown's team rigor and attention to detail regarding each step of our capital raising process."

– Managing Director, Sponsor

"Crown Partners set up our team for success on this capital raise from the outset. Their knowledge, guidance and active analytical support during the field examination, appraisals, and underwriting processes were critical to our successful closing."

– Chief Financial Officer