



FINANCIAL TRANSPARENCY AND STRUCTURING RECOMMENDATIONS FOR AUTOPARTS MANUFACTURER

SITUATION OVERVIEW

As a recognized partner of choice within Corporate Finance, our mission is to set the highest standard with the provision of leading expertise and strategic solutions that drives value and positions clients for even greater success.

- Privately owned company headquartered in rural Quebec
- Family owned business
- \$20MM of loans from large Canadian bank and Mezzanine provider
- In breach of certain financial covenants and company seeking for financial relief
- CPA assuming the role of CFO however had no experience in understanding / reviewing / negotiating complex finance agreements and/or reporting financial data on a monthly basis
- Rapid growth causing stress on working capital
- Two lenders have misaligned structures
- Kluane engaged to provide better financial transparency to mezzanine lender and to analyze and provide opinions related to financing structure

SOLUTION

- Review analysis and presentation of monthly financials (last 12 months) to lenders – which results are trending positively, and all covenants are on-side
- Greater financial transparency lead to restructuring and closing on refinancing of the mezzanine facilities REFINANCING CLOSED
- Working on engagement proposal to seek out additional growth equity

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