

Coal Production and Reseller
of Bulk Packaging Products

PURCHASE ORDER FINANCING & INVOICE FACTORING

CASE STUDY



This client provides a large publicly traded company with coal needed for production of specialized chemical products. Client's company was growing and had the ability to secure large purchase orders with credit worthy companies but was unable to fulfill orders without financial assistance. Capstone knew that an Invoice Factoring Line coupled with a PO Facility would be the optimal solution to aid in the client's growth.

BACKGROUND

- Wyoming based company providing coal to Advansix, a large publicly traded chemical company, and local coal plants
- Coal is of a specialized type with a very limited amount of mines producing
- The client has access to an abundant amount of coal through ownership of a mine
- Since the start of the relationship in December 2018, the client has done over \$1 million in volume



COMPANY CHALLENGES

The client was going through a growth phase as they recently secured a large contract to supply coal. They were also in the midst of a bond raise, but needed immediate capital infusion to fulfill the new larger purchase order obligations.

CAPSTONE'S SOLUTION

- Provided a medium seven figure Purchase Order Financing line and Factoring Facility to pay key vendors needed in order to extract, clean and deliver coal to their customers

PROGRESS AND FUTURE OUTLOOK

- Cash flow constraints have been drastically eased and now the client is focusing on increasing production to meet aggressive demands by their existing customers
- Client in conversations about rolling into a larger, multi-year contract with existing client



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