

Household Appliance Retailer

PURCHASE ORDER FINANCING & INVOICE FACTORING

CASE STUDY



This Ronkonkoma, NY based retailer is an industry leader in developing and executing environmentally friendly solutions through the recycling, recovery and repair of a variety of products. The client is equipped with skilled technicians who follow a strict testing, inspection and approval schedule for all products, creating like new products that continue to exceed manufacturer and customer expectations.

BACKGROUND

- Formed in 2016, the client provides damaged and returned product management, return center services, remanufacturing, reprocessing, repairing and recycling of consumer products for consumer product manufacturers such as Whirlpool, Miele, Kitchen Aid, Bosch, etc.
- The client's management team has experience with servicing the world's leading consumer product manufacturers

COMPANY CHALLENGES

- Highly cash flow constrained
- Company struggled with stretched payables demand and meeting payroll



CAPSTONE'S SOLUTION

- Provided a Master Invoice Factoring Facility to purchase a minimum of \$4.8 million in invoices
- Opened \$500k PO Financing Facility in 2018 to facilitate Best Buy Returned Inventory Program

PROGRESS AND FUTURE OUTLOOK

- Capstone has purchased over \$6.0 million in total invoicing
- Client secured Fred's Inc., a general store chain, as a customer through the Best Buy inventory program.
 - \$759k in 2019 Fred's sales to date
- The Client can now focus on the rapid growth of their company:
 - \$1.6 million in 2017 sales
 - \$3.3 million in 2018 sales
 - On pace for \$5.0 million in 2019 sales



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