

Frozen Foods Manufacturer and Supplier

# PURCHASE ORDER FINANCING & FACTORING FACILITY

# CASE STUDY



This Client is a family owned and operated frozen foods manufacturer headquartered in New York. They offer a full line of convenience products, which includes an extensive line of appetizers/ hors d'oeuvres, pre-plated meals, gluten free certified, vegetarian, bulk entrees, breakfast products, crepes and blintzes.

## BACKGROUND

- Formed in the 1970s, the company is a nationally recognized leader in the production of high quality, kosher endorsed (OU Kosher Certified), frozen foods products.
- The Client manufactures under its own brand as well as private label which are distributed to all major renowned discount warehouses based in the United States.

## COMPANY CHALLENGES

- This company is well established and has a well-deserved reputation however they were struggling to make timely payments to vendors due to working capital constraints imposed by their existing bank facility.
- The Client's growth significantly outpaced its ability to leverage its balance sheet and cash flow.
- They were unable to meet the growing demands of their major customers using their bank sponsored ABL Facility.

## CAPSTONE'S SOLUTION

- Provided a seven-figure Master Factoring Facility and a Purchase Order Facility.
- Opened ad-hoc Letters of Credit for the purchase of new equipment.



## PROGRESS AND FUTURE OUTLOOK

- Since the commencement of the relationship back in 2019, Capstone has purchased \$72 million in total sales.
- Cash flows and business operations were stabilized through the uncertainty of the COVID-19 pandemic.
- Cash flow constraints were eased resulting in the Client meeting/surpassing order demand from all major customers.
- The Client has found Capstone to be flexible, practical and knowledgeable about their industry; Capstone took the time to understand their business needs and provided a customized funding solution.



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