

Deal of the Month.

Working capital – Judgement

judobank

Customer profile

- Business supports commercial and retail customers with energy efficiency products and solutions to help reduce their energy costs and preserve the environment
- Key products offered include: heat pumps, solar panels, LED lights, exhaust fan seals and battery storage.

What they needed

- Client needed significant working capital to continue growing their business which has seen exponential growth YOY (900% growth in sales over 4 years)
- The working capital would assist with inventory purchases which are a key driver of sales – the business had slowed recently as cashflow wasn't available to restock warehouse

What happened

- Being a new industry, the operational mechanics and price volatility weren't understood by other lenders, despite significant balance sheets assets in the form of energy certificates which could be transacted via brokers to major energy retailers

The Judo difference

- After meeting with the client to understand their business, industry and mechanics of the energy certificates, the credit team provided an indicative finance proposal with key issues to be address in order to proceed to formal approval
- Judo provided formal approval and closed shortly after the completion of both financial and legal due diligence confirming initial assumptions were correct
- Out funding helped refinance all their property and working capital debt, provide an additional \$1.4m of new funding for working capital
- The loan approval factored in future funding requirements with appetite to assist with further growth should they continue to meet their budget forecasts

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