

# ASSET-BASED LENDING

## CREATIVE LENDING SOLUTIONS FOR YOUR SUCCESS

---





## THE VALUE OF ASSET-BASED LENDING

Bankers traditionally look at available operating cash flow of a company when considering the creditworthiness of a loan. While this view is important, some healthy businesses don't fit nicely into that approach.

Cash-flow based financing may not be easy to get for companies with variable earnings, seasonal fluctuations, or a limited operating history. When conventional lending options are not the best solution, our Asset-Based Lending (ABL) team may provide much-needed liquidity to help your business meet seasonal challenges or fulfill growth plans. An Asset-Based Lending approach can be a better way to secure capital for businesses with those specific needs, as well as any business with an abundance of accounts receivable or inventory. Asset-Based Lending typically focuses on working capital loans based on the value of accounts receivables and inventory or term loans based on the value of equipment.

A photograph of a warehouse interior, showing metal shelving units filled with numerous stacks of neatly folded white towels. The perspective is from a low angle, looking down the aisles of the shelves.


“The relationship that we have with Cambridge Savings Bank is the reason why we were able to get the additional financing to support our growth. It’s our goal at Purity Services to provide our customers with the resources that support smooth and seamless daily operations, and we are pleased to receive that same human-centric quality service with CSB. Yvonne Kizner and the CSB team not only recognize our growth trajectory, but also understand the unique needs of our business.”

**CHRIS DENEALT, OPERATIONS MANAGER OF PURITY SERVICES, INC.**



## HOW YOUR BUSINESS COULD USE ASSET-BASED LENDING

Asset-Based Lending works well for asset-rich companies who may be transitioning due to acquisitions, growth periods during restructuring, or recapitalization processes. These companies have lendable assets, which include accounts receivable, inventory, machinery and equipment, and commercial real estate. Many of these companies find traditional funding too restrictive for their needs due to a limited operating history, negative cash flow (either pre-profit or stressed), or some cyclicity and seasonality in their income.

A photograph showing several pairs of brown leather shoes, likely boat shoes, arranged on a wooden shelf. In the background, an American flag is partially visible, adding a sense of tradition and heritage to the scene.

“As a family-owned business that’s been around for over 65 years, we understand the importance of working with the right partners to grow our business. When we met Cambridge Savings Bank, their relationship-centric approach was apparent right away. We knew their Asset-Based Lending team was the right fit for our needs. They asked the right questions, and it was clear that they genuinely cared about our success.”

**JIM KLEIN, PRESIDENT OF EASTLAND SHOE CORP.**

Asset-Based Lending can be less expensive than other forms of growth financing, and as the company grows, the credit facility can grow along with it. The credit facility may also shrink, providing a built-in set of checks and balances, which helps manage risk.

## HOW BUSINESSES USE ABL



### REFINANCE EXISTING DEBT, BETTER MANAGE CASH FLOW, OR INCREASE LIQUIDITY

The Ockers Company - CSB ABL initially provided The Ockers Company with an \$8,000,000 credit facility that included a \$6,000,000 revolving line of credit. Compared to the revolver provided by its prior bank, the CSB ABL revolver structure immediately unlocked significant liquidity that allowed the Company to accelerate growth driven by a new product offering. Due to continued robust growth of the Company's product offerings, CSB ABL increased the revolver to \$9,000,000 and added a provision that allowed the Company to leverage in-transit inventory. The steps taken by CSB ABL and the shareholders combined to drive significant revenue and bottom-line growth.



### FACILITATE GROWTH

Medical Record Associates, LLC - CSB ABL initially provided Medical Record Associates with a new revolving line of credit that immediately unlocked additional liquidity for the Company to support multiple growth initiatives the Company had underway. Subsequently, the Company approached CSB with an acquisition opportunity and CSB ABL provided additional financing in the form of a term loan that helped the Company complete the acquisition and double its revenues as well as drive significant bottom-line growth.



### SUPPLY CHAIN CUSTOMIZATION

Bigbelly Solar, LLC - CSB ABL initially provided Bigbelly Solar with a credit facility that allowed the Company to refinance existing debt and to make major changes to its supply chain, including the onshoring of their manufacturing. This process added 40 full-time jobs to the Greater Boston marketplace, while ensuring the delivery of high-quality products on schedule for its customer base. Subsequently, Bigbelly sought additional liquidity to unlock efficiencies during the transition from a foreign vendor to in house domestic manufacturing and CSB ABL delivered on that request as well.



### PARTNER WITH AN ENTREPRENEUR TO DRIVE GROWTH

Auto Advance, LLC - CSB ABL provided Auto Advance with a \$9,000,000 revolving line of credit. Prior to this funding, the Company had been primarily funded by its shareholders. CSB ABL's approach immediately unlocked liquidity that allowed the Company to quickly expand its business, increasing revenues and bottom-line results. The revolving line of credit will allow for planned rapid growth as CSB ABL again demonstrates its ability to partner with its customers to drive growth and profitability.

## OUR SOLUTIONS

---

Asset-Based financing is traditionally structured as a revolving line of credit, and may include a term loan depending on the borrower's needs. Our loans range in size from \$2 million to \$20 million for businesses and strategic partners located in the Northeast.

### REVOLVING LOANS

---

- Secured by accounts receivable and inventory
- Advance rates on eligible inventory up to 85% of appraised value
- Advance rates on eligible accounts receivable up to 90%
- Seasonal stretch facilities where appropriate
- Competitive interest rates

### TERM LOANS


---

- Secured by equipment, real estate, and as appropriate, intellectual property
- Amortizing and non-amortizing, depending on the situation
- Flexible amortization schedule, including moratorium and varying terms relative to cash flow

### A SUITE OF SOLUTIONS TO COMPLEMENT YOUR GOALS

---

- We offer a full complement of Corporate Banking, Lending, Treasury Management, and Trade Services solutions that are customized to meet your unique business needs—today and in the future.



“Our solutions are never cookie-cutter. Each relationship is different, and each company has a different structure. Our team is empowered to find creative solutions and make quick decisions to do whatever it takes to help you succeed.”

**KEITH BROYLES, SVP | HEAD OF ASSET-BASED LENDING, CSB**



## MEET OUR TEAM

---

Choosing a partner you can trust will be the most important decision you make in this process. The Asset-Based Lending team at Cambridge Savings Bank has more than 130 years of combined experience. Our lenders are empowered to find creative solutions and make quick decisions to do whatever it takes to help your business succeed.

Our ABL team performs detailed analyses of a broad range of collateral options, enabling them to optimize valuations and advance rates against this collateral. Many businesses find their collateral-driven borrowing capacity to be less restrictive than traditional loan limits.

Our expert team listens to understand your unique business needs. We take a creative approach to a tailored solution that positions your business for success. Whether you're looking to borrow funds for growth, recapitalization, working capital, an acquisition, merger, or buyout, we have the financing you need to help meet your business goals. We can help you understand if Asset-Based Lending is the right solution for you and your business.



**A. Keith Broyles**

SVP | Head of Asset-Based Lending  
617.441.4235  
kbroyles@cambridgesavings.com



**Yvonne Kizner**

SVP | Asset-Based Lending  
617.234.7232  
ykizner@cambridgesavings.com



**John Bobbin**

FVP | Asset-Based Lending  
617.575.8590  
jbobbin@cambridgesavings.com



**Michael Richardson**

Asset-Based Lending  
617.441.7062  
mrichardson@cambridgesavings.com

## ABOUT CAMBRIDGE SAVINGS BANK

---

Cambridge Savings Bank is a full-service banking institution with over \$6 billion in assets. As a mutual bank, CSB is committed to improving the quality of life of our employees, customers and the communities we serve. One of the oldest and largest community banks in Massachusetts, Cambridge Savings Bank offers a full line of individual and business banking services across a robust Massachusetts-based branch network and through digital banking solutions for commercial, small business and consumer customers. In March 2023, Kroll Bond Rating Agency affirmed CSB's investment-grade rating, reinforcing the bank's position as a reliable business lender. To learn more about how we can meet your needs, visit us at **cambridgesavings.com**, or better yet, stop by one of our branches.