



# Asset Based Lending

For End User Businesses

June 2020

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# About White Oak Commercial Finance

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# Asset based lending, delivered.

White Oak Commercial Finance Europe is a leading provider of Senior Secured financial solutions for SME and mid-market companies through to private equity owned and PLCs in the UK, Europe and the United States.

We work to maximise working capital and facilitate business growth through Comprehensive Asset-Based Lending (ABL) solutions, providing customised options for a wide variety of funding requirements.

- Invoice Finance Facilities - £500k
  - Asset Based Lending - £5m - £200m
  - Asset classes include Receivables, Inventory, Plant & Machinery, Real Estate.  
We provide additional Cash Flow facilities aligned to the wider ABL facility.
  - We can support an extensive range of sectors
  - No restrictive formula against the mix of assets funded
  - Multi-jurisdictional ABL lending capabilities
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A low-angle, upward-looking perspective of several modern skyscrapers with glass facades, creating a sense of height and architectural scale. The buildings are set against a clear blue sky.

**White Oak Commercial Finance Europe (WOCFE) is an affiliate of White Oak Global Advisors, a US-based, SEC-registered investment advisor and private credit firm founded in 2007.**

Specialising in originating private, secured loans we support the growth and financing needs of small and medium-sized enterprises (“SMEs”) throughout their lifecycle, with over \$8 billion in capital\* deployed since inception, across 500 companies and throughout the US, Canada and Europe.

\*As of May 2020



 White Oak Global Advisors offices

 White Oak's Financing Affiliates

Inclusive of White Oak Global Advisors' and its Financing Affiliates  
(as such term is defined in White Oak's Form ADV), which are owned by the White Oak funds/managed accounts





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# Why work with White Oak?

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# Support through the lifecycle

- White Oak Commercial Finance was established to lend to businesses in the Asset Based Lending (“ABL”) market that historically would have been bankable (or close to) and are typically non-sponsored\*.
- Our goal is to support businesses through the provision of diversified funding that improves cash flow through funding a range of business assets throughout the business life cycle.
- Employing both flexible underwriting and structuring, White Oak Commercial Finance offers a diversified portfolio of direct lending products for investors.

*\*White Oak Commercial Finance views “sponsored” borrowers as those who are generally private equity backed or private equity controlled, who are subject to a broadly marketed debt financing process in which the financial sponsor has discretionary access to committed equity capital at the institutional level.*

# Our Lending Strategy

White Oak Commercial Finance operate lending strategies for Business Loans, Equipment Finance and Asset-Based Lending, employing distinct risk management approaches and serving varying risk profiles. All strategies are served by the wider origination network and back-office.

	Business Loans	Equipment Finance	Asset-Based Lending
			
<b>Products</b>	VAT Funding, Corporation Tax Funding and Business Development Loans	Hire Purchase, Lease Purchase, Sale & Lease Back	Invoice Finance, Comprehensive ABL, Stretch ABL, Receivables Purchase Programmes (RPA) and Supply Chain Finance
<b>Customer Characteristics</b>	UK SMEs, mid-corporates, private equity owned or PLCs. We fund across a full range of performance, from strong performing entities to formal restructuring scenarios, assisting corporates to trade through difficult situations. Target industries include manufacturing, distribution & wholesale, recruitment, retail, service oriented, logistics, warehousing, haulage, export and agriculture. WOCFE will fund corporates across a variety of jurisdictions including the UK, US and Europe		
<b>Origination</b>	Key relationships with Corporate Finance, Debt Advisory, Restructuring Professionals, Private Equity Houses, Brokers and Corporates Introducer Network, including 100+ Brokers, Vendors and Strategic Partners		
<b>Risk-Management</b>	Risk is managed through assessment of affordability and business quality, risk-based pricing and portfolio diversification	Risk is managed through assessment of affordability, business quality and residual value assessment of equipment	Risk is managed through detailed underwriting and assessing of performance, structure and collateral management
<b>Front Office Leadership</b>	Andy Davies Managing Director Loans & Leases, White Oak UK		Tom Otte – Chairman, ABL Neil Jones - Head of ABL Sales Vanessa Bertrand - Business Development Manager White Oak Commercial Finance Europe
<b>Back Office Leadership</b>	Diane Altieri, White Oak Credit Services		



# Foundations of our Lending

- We have a clear understanding of our markets, driven by significant industry experience.
- We demonstrate a commitment to delivering financial solutions that meet a diverse range of client needs.
- We provide bespoke terms to complement individual borrowing requirements.
- We employ proven originators and build in-house lending expertise to directly support confident credit decision making.

# Our underwriting process

## Unlocking more funding for our clients



# Product Overview

Our product offering supports all major aspects of both Working Capital and Capital Expenditure funding that UK SMEs and Mid-Corporates require to grow and maintain their businesses.

We support transactions of between £500k and £200m, covering a wide range of scenarios that help you to implement the required facilities, including:

- Working capital support
- Funding for growth
- Mergers and Acquisitions (M&A)
- Turnaround scenarios
- Refinance
- Restructuring
- Bridging to a longer-term solution
- Assisting with seasonal cash shortfalls





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# Our ABL Offering

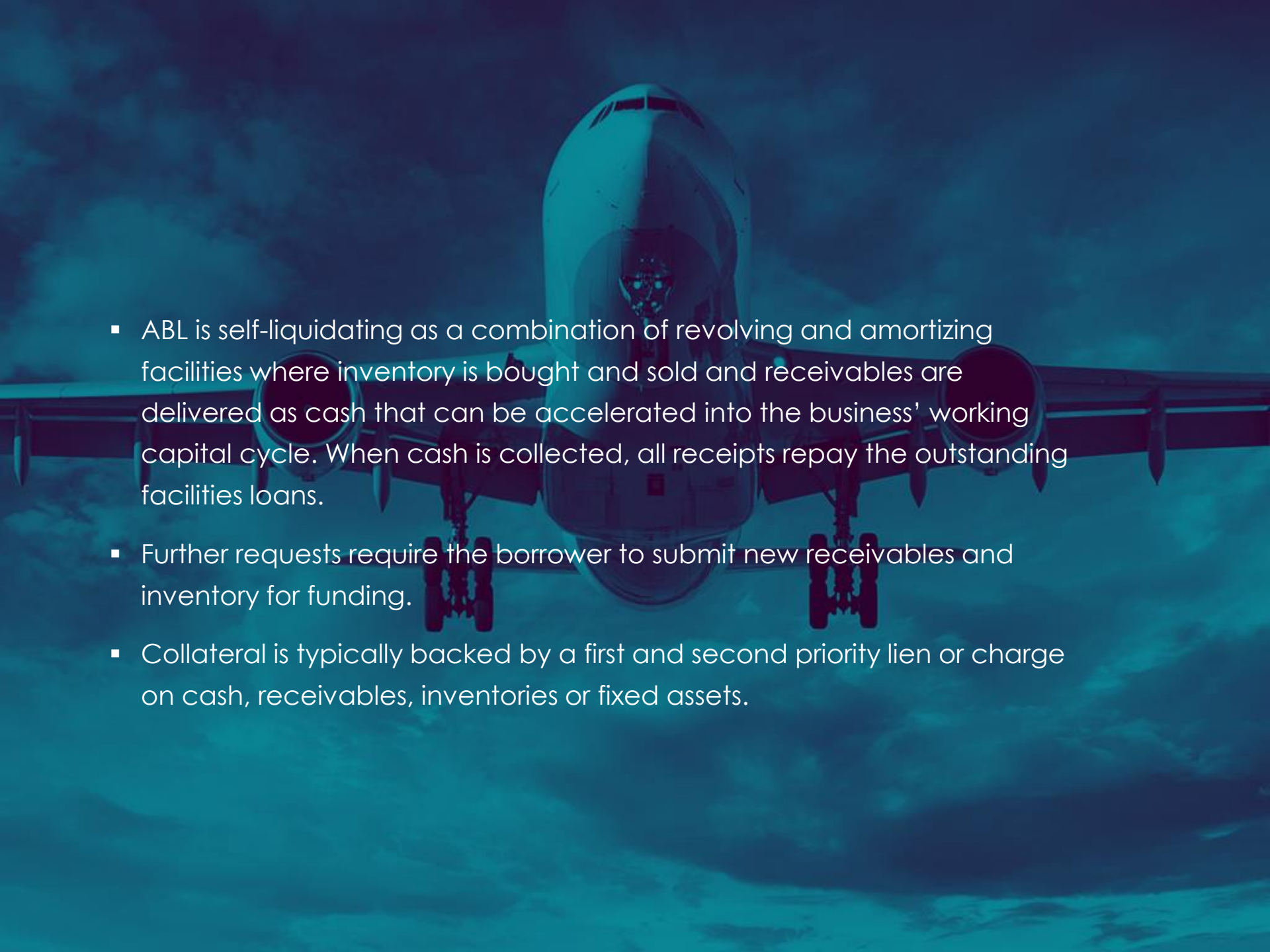




# What is Asset Based Lending?

- ABL is a Senior Secured debt instrument that allows businesses to leverage the value of their balance sheet. Assets financed include the debtor book, inventory, plant and machinery, and freehold real estate. Our facilities enable businesses to close the timing gap between purchases and the delivery of goods or services, and the payment for those goods or services.
- White Oak Commercial Finance Europe provides **up to 120-day funding against receivables and up to 85% against the value of the Net Orderly Liquidation Value (NOLV) of Inventory**. Plant and Machinery and Real Estate facilities are funded to a level assessed against independent market valuations.
- Our facilities are comprehensively underwritten and not driven by asset class restrictions or traditional ABL formulas.



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- ABL is self-liquidating as a combination of revolving and amortizing facilities where inventory is bought and sold and receivables are delivered as cash that can be accelerated into the business' working capital cycle. When cash is collected, all receipts repay the outstanding facilities loans.
  - Further requests require the borrower to submit new receivables and inventory for funding.
  - Collateral is typically backed by a first and second priority lien or charge on cash, receivables, inventories or fixed assets.



# The ABL product mix

There are **several products available** as part of the ABL structure.

Our Comprehensive ABL approach enables us to provide a range of solutions against a mix of assets in the working capital cycle.



## 2. Buyer / Debtor

- The Buyer/debtor confirms receipt of goods/services and confirms the invoice is payable at a future date against payment terms

## 1. Borrower

- Borrower supplies goods or services to its buyers / debtors

## 3. White Oak Commercial Finance

On receipt of the buyer confirming the invoice to White Oak for funding:

- White Oak submits up to 90% of the invoice value to the borrower.
- At the payment term date the buyer/debtor will pay White Oak 100% of value of the invoice.
- On the receipt of the buyer/debtor payment the borrower will have access to the difference in funds advanced.

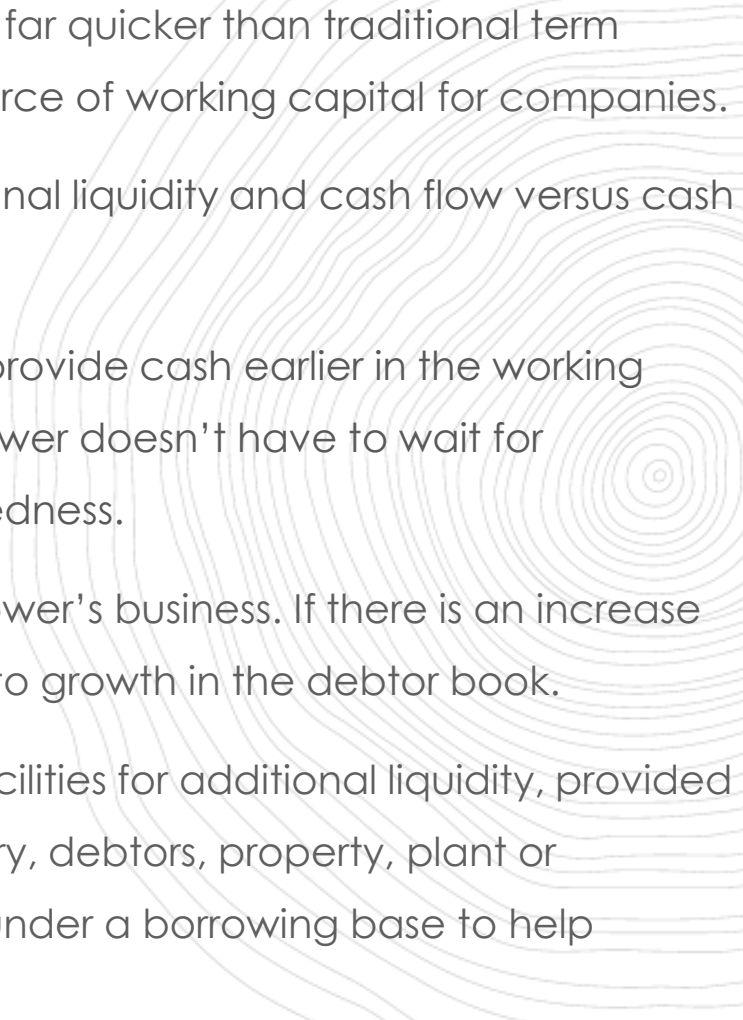




# Benefits to you

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- The ABL approval process is typically far quicker than traditional term lending, providing an immediate source of working capital for companies.
  - It can provide borrowers with additional liquidity and cash flow versus cash flow only or senior loans.
  - Facilities are revolving and as such, provide cash earlier in the working capital cycle. Additionally, the borrower doesn't have to wait for buyers/debtors to settle their indebtedness.
  - ABL facilities can grow with the borrower's business. If there is an increase in trade debtors, the facility is linked to growth in the debtor book.
  - Companies can tap into their ABL facilities for additional liquidity, provided that there are assets such as inventory, debtors, property, plant or machinery. Assets can be grouped under a borrowing base to help achieve the required funding.

A photograph of two men in an office setting, looking at a computer monitor. The man on the left is pointing at the screen, and the man on the right is looking at it. The image has a blue tint.

**Supporting clients of all sizes, from SMEs to large corporates, Asset Based Lending (ABL) can be particularly important in providing working capital solutions.**

**Typical funding levels include:**

- Up to 100% on Receivables Purchase Programmes (RPAs)
- Up to 90% on Accounts Receivables
- Up to 85% on Inventory Net Orderly Liquidation Value (NOLV)
- Up to 85% on Plant and Machinery
- Up to 80% on Real Estate





# Meet our ABL Team

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# Neil Jones

## Head of ABL Sales



Neil has more than twenty years' experience in the industry, spanning both Debt and Advisory and Asset Based Lending.

A specialist in turnaround and restructuring finance, Neil has an in-depth knowledge of ABL debt advisory and structuring, gained across SME, Mid-Market and large cross border transactions as both advisor and lender.

Prior to his role at White Oak Commercial Finance, Neil held several senior roles across the industry, including Managing Director of an independent Asset Based Lending business, Debt Advisory Director within a big four accountancy firm and Partner at a second-tier Advisory firm.

### **Contact Neil:**

Mobile: 07812 519992

Email: [neil.jones@whiteoakuk.com](mailto:neil.jones@whiteoakuk.com)

# Paul Thompson

## ABL Relationship Manager



Paul has more than twenty-five years' experience within the Asset Based Lending sector and has worked for several banks and Independents based both in the UK and the US.

His previous roles have been primarily within portfolio management and credit underwriting, with a pragmatic approach to achieving the right funding solutions for clients.

Paul is married with a daughter and enjoys cycling, keeping fit, watching football and travelling.

### Contact Paul:

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# Vanessa Bertrand

## Business Development Manager



Vanessa has fourteen years' experience within the Asset Based Lending sector working with both commercial and corporate businesses.

Her experience includes both front and back office roles from credit underwriting and client management to new business. This mixed ABL background has contributed to a solid structuring ability and a focus on solutions that are simple and workable for businesses.

Through the provision of thoughtful, end to end working capital options, Vanessa helps businesses to grow and achieve their ambitions.

Vanessa is married and enjoys walking her three working cocker spaniels, travelling and keeping fit.

### **Contact Vanessa:**

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