



## BUSINESS DESCRIPTION

- Our Client (the “Company”) commenced operations in 2000 and is a global leader in the aftermarket for aircraft parts used primarily on Boeing 737 and Airbus 320/321, which constitute >90% of the commercial aircraft flown worldwide. Customers include substantially all airlines and MROs globally. The Company has a reputation for its capability to rapidly provide customized, comprehensive parts solutions for its customers
- Sold parts are sourced from the Company’s extensive owned and consigned inventory. The Company warehouses and sells consigned parts for over 35 clients. With control over a significant amount of inventory and an industry leading ability to source additional components from third parties, our Client can swiftly meet a broad variety of customer needs.
- Inventory packages are purchased at low prices to meet the Company’s stringent forecast profit and cash-to-cash criteria thereby maximizing near term monetization & liquidity

### Owned Inventory

- >26 million in-stock parts warehoused at US headquarters

3/31/2021	Appraised Value		
	Book Value	FMV	NOLV
Owned Inventory	\$42,450,061	\$160,570,137	\$67,291,260

### Consigned Inventory

- Currently warehousing consigned inventory (Cost basis: \$215MM; Sale Value: \$835MM)
- At zero carrying cost, consigned inventory significantly expands the amount of stock available for sale in conjunction with Owned inventory
- With each sale, the Company earns a commission fee, providing a stable source of net income that will total between \$170MM to \$280MM over the next 5-10 years

## TRANSACTION SUMMARY

- The Company is seeking to refinance incumbent LOC (\$25MM outstanding) and Sub Debt (\$15MM outstanding) with a \$60MM+ conforming RLOC
- Security:** \$19.6MM A/R + \$67.3MM Inventory
- Motive:** Current borrowing availability constrains profits; seeking additional working capital for short term opportunities and long term growth

## SELECT HIGHLIGHTS

### An Opportunistic Pandemic

- COVID impacted sales in 2020 due to reduced passenger and cargo volume and created an opportunity for our Client to purchase additional inventory at distressed prices
- Managing multiple consignment arrangements enables our Client to continually purchase parts, maximizing gross profit upon sale, while profitably replenishing inventory for its consignors
- Many airlines sold surplus inventory in 2020 and 2021 at depressed prices to raise liquidity and the value of this inventory is expected to increase as passenger and cargo volume continues its upsurge in 2021. Our Client plans to increase near term purchases, specifically engines, to benefit from higher future sale prices

### Income Statement Highlights

\$000's	2018	2019	2020	Mar '21	2021 Forecast	
	Audit	Audit	Draft	TTM	Current LOC	Pref. LOC
Sales	67,106	85,871	71,072	77,904	112,178	112,178
GP%	35%	34%	29%	29%	29%	37%
<b>EBITDA</b>	<b>\$4,957</b>	<b>\$10,520</b>	<b>\$2,515</b>	<b>\$5,348</b>	<b>\$12,907</b>	<b>\$20,793</b>

- With an expanded LOC, our Client will be able to buy instead of consign, thereby expanding GP% and EBITDA

### Global Recognition

- For the past two years, the Company was awarded for its high quality services in the Aerospace Industry
- CEO was separately recognized as a “Top 10 Leader” in the Aerospace Industry

## CONTACT INFORMATION

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