



TRANSACTION OVERVIEW

To refinance its current credit facilities and support ongoing working capital needs, the Company is seeking an asset-based revolving line of credit with a capacity ranging from \$15MM to \$18MM to allow for seasonal fluctuations in cash flow. The credit line will be secured with accounts receivable, inventory and capitalized cultural costs. Depending on Company and lender final determination of credit structure, there is potential for an equipment collateralized term loan and / or land loan of ~\$10MM secured by \$26MM appraised value farmland owned by related entities,.

COMPANY OVERVIEW

Our Client (the “Company”) is a leading strawberry farm based in California with operations in California and Mexico. The Company markets strawberries for domestic and Mexican growers to provide a year-round supply of the highest quality berries available. The Company has an efficient coordination of production, food safety systems, harvesting, sales, and distribution. The Company supplements its fresh berry sales with processing capabilities for sub-standard berries. The Company’s seasonal employee base, which maximizes the business’s operating leverage, is led by an experienced management team.

The Company has strong future growth strategies, including:

- i) Marketing: Continue to increase third-party grower strawberries
- ii) Processing: Enhance product offerings such as pasteurization and IQF to diversify revenues and further improve margins.

KEY CREDIT HIGHLIGHTS

✓ Substantial & Diversified Collateral Coverage

Dec 31, 2023

Sources		Uses	
Accounts Receivable	\$4,432	ABL	\$16,087
Inventory	5,166	Mortgage	9,924
Crops-In-Ground	11,412	Transaction Expenses	650
M&E	2,359		
Real Estate	26,000		
Total	\$49,369	Total	\$26,661

- Consolidated net worth at December 31, 2023 was (\$8.3MM) and total liabilities were ~\$45MM
- Pro forma adjusted net worth is approximately \$8MM if market value of related entity owned real estate is included.
- The real property, which is valued at \$26MM and is encumbered with \$10MM of mortgages, is leased to WCBF and third-parties.

✓ Financial Highlights

000's	FYE				Proj
	2020	2021	2022	2023	2024
Net Sales	\$94,883	\$133,345	\$146,989	\$133,576	\$118,688
Revenue Growth	N/A	40.5%	10.2%	N/A	-19.3%
EBITDA	\$6,154	\$14,869	(\$3,407)	\$1,945	\$7,513

- YoY revenue growth due to increased harvested acres and growth in third-party grower supply
- Poor growing conditions in 2022 – returned to being EBITDA positive in 2023
- Focus on high-producing land expected to increase margins in 2024

✓ Fruit Processing Capabilities

- Processing generates sustainable revenue
- Repurposes berries in an in-house processing plant to create juice concentrates, puree, and other items

TRANSACTION TEAM

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