

BUSINESS DESCRIPTION

Our client (the “Company”) is a privately held C-Corp founded in 1994 operating as a commercial pasta and sauce manufacturer. The Company developed a reputation as a producer of the finest quality frozen pasta products based on its ability to match restaurant chefs’ small-batch recipes on a commercial scale. The Company sells its products to regional and national frozen-entree manufacturers and food service distributors. Over the past six months, the Company has emerged from a turn-around process that included (i) reducing platform costs, (ii) recapitalizing its financial position, (iii) successfully executing its sales strategy to become the preferred partner for several national co-manufacturers, (iv) expanding its senior management team with the addition of a COO, Supply Chain Manager, Production Manager, and Controller, and (v) laying the groundwork for the launch of a shelf-stable bottling line that will round out its product offering.

The Company has lined up an immediate pipeline of existing and new customer opportunities, which will enable it to continue its impressive sales growth. All five factors outlined above have enabled our client to rapidly return to profitability in FY2025.

TRANSACTION SUMMARY

Our client is seeking a cash-out real estate term loan of \$5.3MM to support its growing sales channel. Its real estate has an appraised value of \$8.1MM as of April 2025, with ~\$4.2MM outstanding on the property. The property is a food processing facility owned by a single-asset related company that the operating company pays rent to for debt service. The principals are prepared to personally guarantee the requested credit facility.

TRANSACTION TEAM

CHUCK DOYLE PRESIDENT cdoyle@bizcap.com	MICHAEL HENGL CHIEF CREDIT OFFICER mhengl@bizcap.com	JEFFREY SCOTT MANAGING DIRECTOR jscott@bizcap.com	TIM GAINES VICE PRESIDENT tgaines@bizcap.com	WESTON WEINBERG ASSOCIATE wweinberg@bizcap.com
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SELECT HIGHLIGHTS

1Rapidly Growing Sales Funnel

FYE 6/30	Trailing 7 Months				
	Proj.				
\$ in thousands	FY '22	FY '23	FY '24	MAR '25	FY '25
Sales	\$10,183	\$8,985	\$4,749	\$7,872	\$13,377
GM%	28.4%	21.6%	12.1%	26.4%	23.6%
EBITDAR	\$288	(\$883)	(\$1,435)	\$814	\$1,035
Net Income	(\$233)	(\$678)	(\$1,275)	\$365	\$264

Sales volume has doubled in the last 6 months due to an aggressive sales strategy combined with multiple successful new product launches. Impressed by the results, customers often refer the Company to their subsidiaries, further increasing sales. Higher margins and profit have been achieved through proper supply chain operations, just-in-time manufacturing practices, eliminating excess labor, and reducing overhead costs.

Sales are forecasted to increase due to onboarding new customers and receiving access to additional product lines from existing customers based on performance.

2Improving Net Worth

FYE 6/30				
\$ in thousands	FY '22	FY '23	FY '24	MAR '25
Total Assets	\$3,823	\$3,541	\$2,391	\$3,187
Shareholder Loans	\$2,011	\$2,996	\$4,026	\$2,125
Net Worth	(\$1,726)	(\$2,404)	(\$3,679)	(\$1,306)
Adj. Net Worth	\$284	\$591	\$348	\$819

During the past 4 years, the principals have continued to invest in the business. Aggregate investment over the past three years exceeded \$4MM.

3Sources & Uses

\$ in thousands			
Collateral		Debt	
Real Estate	\$8,100	Refinance RE Loan	\$4,222
		Working Capital	\$1,043
Total Collateral	\$8,100	Total Debt	\$5,265