



BUSINESS DESCRIPTION

Our client is an established, Northern California creamery specializing in premium dairy products. The Company is focused on producing a wide variety of high-quality cheeses and butter. Later this year, they will resume milk powder production and add yogurt and kefir to their product line. The Company has over 300 loyal customers, including distributors, grocery stores, and farmers' markets.

The Company sources its flavorful, high-fat Jersey milk from a combination of subsidiary and independent organic farms. Dairy products made from Jersey milk are a premium product due to the high fat content compared to Holstein milk. Jersey milk is also A2, which opens up the market for lactose-intolerant consumers. The creamery's products are recognized for their superior taste and nutrients.

Founded in 1913 and under the same ownership since 2004, the Company historically generated \$40MM to \$50MM in annual revenue under its current ownership and was highly profitable when operating near full capacity. The creamery shut down during COVID and reopened in 2024. In 2024 and 2025, the creamery got back up and running using its own milk to test all the equipment and restart sales to its long-standing customer base. While restarting production, the Company adopted the latest AI tools from Salesforce for production, sales, and inventory. Salesforce has been filming videos at the creamery and dairy to highlight the creamery as one of its 2026 success stories, showcasing how AI can cut production costs and streamline sales, inventory management, and collections.

In 2025, the creamery earned \$2.3MM in revenue and net income of \$206k using only milk from the owner's dairy. The Company achieved profitability operating with a skeleton crew at only 1% of production capacity while it tested and upgraded equipment. In January 2026, using purchased milk, the creamery scaled and increased production by 5x. It is projecting revenues of \$11.3MM and a Net Income of \$5.2MM in FY'26.

TRANSACTION SUMMARY

Our Client is seeking an \$11.9MM RE Term Loan Facility to refinance their current facility, pay down vendors, and support growth. This debt facility will be collateralized by our client's industrial property, appraised at over \$20.3MM.

SELECT HIGHLIGHTS

1 Appraised Real Estate

Appraised Real Estate	Appraised Value
Industrial Land & Building	\$20,350,000
Total	\$20,350,000

The Company currently operates out of its 160,799 sq. ft property in Northern California. The industrial property is well suited for a variety of uses and is located within 3 blocks of the city's high-growth downtown district. Appraised in 2024, the Company's land and buildings are worth over \$20.3MM.

2 High Gross Margins driving Profitability

Company Overview	FY 2024A	FY 2025A	FY 2026F	FY 2027F	FY 2028F
Total Revenue	\$1,256,285	\$2,288,359	\$11,259,928	\$16,898,629	\$18,608,298
YoY%		82%	268%	54%	13%
Gross Profit	\$1,103,560	\$1,666,779	\$7,910,660	\$12,055,051	\$13,111,627
Gross Margin (%)	88%	73%	70%	71%	70%
EBITDA	(\$28,894)	\$636,280	\$5,232,054	\$8,052,952	\$8,564,937
EBITDA Margin (%)	-2%	28%	46%	48%	46%
Net Income	(\$488,326)	\$206,508	\$3,948,287	\$6,741,437	\$7,268,870

In FY'24 and FY'25, the Company produced and sold its dairy products at 88% and 73% Gross Margins, respectively. In January '26, with equipment and production running smoothly, the creamery began purchasing Jersey milk from independent providers. This allowed the creamery to fill back orders and grow top line with little additional expense. Better utilization of the production equipment overhead will grow revenue with minimal additional cost beyond purchasing milk. Creamery production is still less than 5% of peak levels under the current ownership, leaving plenty of room to further increase revenue with strong margins. As a result of the premium Jersey product and strong local brand, their cheese and butter have a strong market, evidenced by the fact that the creamery has zero inventory, except aged cheeses. Additionally, the market price for milk is near historic lows while food in grocery stores is at an all-time high, creating a favorable market environment.

3 Sources and Uses

Sources		Uses		JAN 2026
Appraised Real Estate	\$20,350	Refinance RE Term Loan	\$6,750	
		Refinance SBA Loan	\$376	
		Pay Vendors	\$2,780	
		Cash to Borrower & Fees	\$1,994	
Total Sources	\$20,350	Total Uses	\$11,900	

This is a well collateralized transaction, with over \$20.3MM of appraised RE backing total uses of \$11.9MM.

TRANSACTION TEAM

CHUCK DOYLE	MICHAEL HENGL	JEFFREY SCOTT	TIM GAINES	WESTON WEINBERG	JACOB CALL
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