A BUSINESS SOLUTION FOR IMMEDIATE CASH FLOW

BRIDGE FINANCING TO THE RESCUE

bridgepoint | INVESTMENT BANKING

SECURING WORKING CAPITAL IN TIMES OF FINANCIAL STRESS

A liquidity shortfall, pending debt maturity or over-leveraged balance sheet does not indicate a failure of leadership. Situations like this are often caused by industry cycles, changing regulations or shifting markets that, as a result, have a negative impact on an organization's financial arrangements.

Understand that a special financing situation can surface in any industry during any point in an economic cycle.

Moreover, situations like this do not have to mean bankruptcy or sale. There are forms of financing – referred to as bridge, stress or rescue – that can be leveraged as a solution to the problem.

BRIDGEPOINT INSIGHTS: *If external factors have negatively impacted your company's financing arrangements, please know you are not alone! Bridgepoint Investment Banking understands your predicament and has relationships with institutional funders who can provide forms of financing that are not subject to many of the typical regulatory constraints.*

BRIDGE FINANCING – WHAT IS IT?

Bridge financing is an interim option primarily used to fulfill a company's short-term working capital needs until a more long-term financial solution can be arranged. This type of loan typically comes with a higher-than-normal interest rate based on investor risk.

Bridge financing is arranged through partnership with an investment bank, which has connections to private debt, institutional capital and alternate source lenders. Additionally, investment banks are able to bring sophisticated systems and deep market knowledge to the table.

Think of this type of financing as a bridge that connects your company to capital through short-term borrowings.

BRIDGE FINANCING EXAMPLE: *The customers of a midsized company fall behind in payments. As a result, the company is unable to meet the short-term obligations of payroll and mortgage. In this case, a bridge loan is a good solution for covering expenses until the payments come through.*

WHO QUALIFIES FOR THIS TYPE OF CAPITAL?

Forms of bridge financing are not recommended for startup businesses but instead for existing companies that can demonstrate the ability to make it through a temporary downturn.

Established companies with good track records and experienced management teams generally can qualify for bridge financing without difficulty. In fact, lenders understand that this sort of capital is needed quickly and for a shorter period time than long-term leveraged debt options.

Bridge financing is meant to alleviate immediate monetary pressures, allowing the company to focus on correcting operational, financial or personnel deficiencies to emerge as a stronger organization.

BRIDGEPOINT INSIGHTS: *If you're seeking bridge, stress or rescue financing, know that Bridgepoint is respected for finding unique and creative options that are customized to your particular set of circumstances and needs – often without sacrificing control of your company.*

WHO PROVIDES BRIDGE FINANCING?

Bridge financing is available through lenders with substantial amounts of cash who are looking for opportunities to put these funds to work. Here is a list of typical lending sources.

Private Lenders – These are individuals or non-bank companies that are generally considered more aggressive than traditional lenders. Private lenders fund a variety of loans, including those designated as bridge

financing. An advantage is that they tend to have faster approval times than banks or credit unions due to less informal application processes.

One of the best ways to connect with bridge, stress and rescue financing sources is through an investment banking firm, like Bridgepoint, which has strong relationships in the realm of institutional funding.

Family Office Debt Funds – Family offices are privately held wealth management advisory firms that serve individuals and families generally with a net worth skyward of $100 million in investable assets. A primary role of family offices is to seek worthy debt fund investments on behalf of their clients. They often interface with investment banking firms and other outside managers to achieve capital gains for their clients.

Private Debt Funds – Another alternative to traditional banks, private debt funds specialize in raising money from investors and lend it to companies for a variety of purposes including mezzanine financing, distressed financing, growth capital, merger and acquisition and other special situations funds.

Institutionalized Lenders – Defined as federal or state regulated entities that loan money, institutional lenders include banks, savings and loan associations, savings institutions, national banking associations, investment companies, business development companies, insurance companies and trust companies. Institutional lenders act as financial intermediaries who invest in loans and other securities on behalf of their depositors or customers with regulatory oversight to limit risk.

SPECIALIZING IN FINANCIAL SOLUTIONS FOR MIDSIZED COMPANIES

At Bridgepoint, we understand that company owners and stakeholders can find themselves in situations that require a form of bridge financing through no fault of their own.

Bridgepoint is a boutique investment banking firm that provides sophisticated, flexible and creative solutions to middle market companies, which typically are overlooked by Wall Street. We serve Main Street companies, are guided by our Midwestern values and believe in making a positive impact for our people, our clients and our communities.

If you would like to discuss your needs with someone who is in the financing market for the purpose of providing solutions to companies during all phases of the corporate life cycle – including financial stress – please reach out to us.

If you think your organization might benefit from bridge, stress or rescue financing, you'll want to work with a trusted advisor who can help you understand the pros, cons and details of these options.

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ABOUT BRIDGEPOINT INVESTMENT BANKING

Bridgepoint Investment Banking is a middle market investment banking firm that serves clients over their corporate life cycles by providing corporate finance and merger and acquisition advisory services. Bridgepoint Investment Banking is a division of Bridgepoint Holdings, LLC. In order to offer securities-related Investment Banking Services discussed herein, to include M&A and institutional capital raising, certain Managing Principals of Bridgepoint are registered representatives of M&A Securities Group, Inc., an unaffiliated broker-dealer and member FINRA/SIPC.

SECTORS OF FOCUS

- Industrials & Transportation
- Consumer & Retail
- Healthcare
- Business/IT Services

BRIDGEPOINT SERVICES

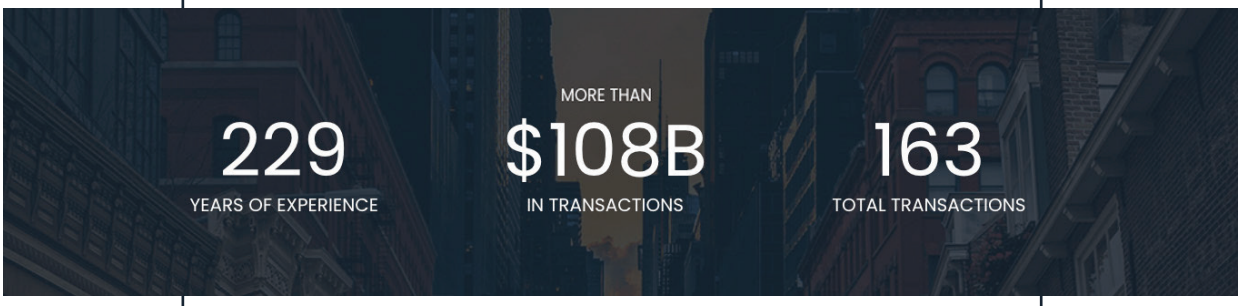
CAPITAL RAISING

Services include bridge financing, debt advisory, equity advisory and market-leading leveraged finance solutions. Bridgepoint Investment Banking professionals have successfully raised more than $74 billion of capital for their clients over their careers.

MERGERS & ACQUISITIONS

M&A advisory solutions include sell-side M&A, buy-side M&A, management buyout and cross-border M&A advisory. Bridgepoint Investment Banking professionals have successfully moved more than $30 billion of capital for their clients over their careers.

WHY BRIDGEPOINT



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