

As a product, Asset Based Lending provides a flexible and alternate financing solution for businesses experiencing change. A robust product, Asset Based Lending has proven its reputation within various economic cycles – boom or bust and is why Asset Based Lending continues to bolster its position despite the tightening effect of the credit crunch today.

Asset Based Lending delivers sophisticated solutions for a variety of scenarios including growth, buyouts, buy-ins, mergers and acquisitions, refinancing, turnarounds, public to private transactions across both a European and global arena.

This Deal Sheet was produced by the Asset Based Lending Committee, part of the ABFA, which aims to increase understanding and raise the profile of the Asset Based Lending industry in the UK and Ireland.

The Asset Based Finance Association (ABFA) is an Association which represents the Asset Based Finance industry (which includes Asset Based Lending) in the UK and Ireland. Currently over 49,000 businesses are benefiting from over £17 billion in lending from this industry.

To read more about recent ABL deals please visit www.abfa.org.uk/abl/abl.asp



LEUMI ABL MBO SUCCESS CASTS LIGHT OVER MIDLANDS MANUFACTURING

In a deal completed at the end of May 2009 Leumi ABL has supported the management buy-out of an automotive castings business with a funding line to bolster working capital headroom.

Management have purchased Contech Operating UK Limited, a £12m turnover manufacturer of high precision aluminium castings from its US parent. Founded in 2001, Contech produce a range of products including steering rack housings, power take off housings and knuckles. Their products end up in major European car marques including Jaguar Land Rover, Ford, Mercedes Benz, Fiat and Renault. Contech employs over 90 people at its purpose built facility in Welshpool and is widely regarded as one of the best foundries in Europe.

Mike Yiannis of Birmingham-based professionals Odyssey Corporate Finance advised on the deal: "This was a challenging deal due to the torrid market conditions and lack of funding available for any business, let alone one in the automotive sector. Contech has an exceptional management team, is profitable and

cash generative with a strong balance sheet and healthy order book. Despite all these positives, just about every bank and VC we approached turned it down due to the high profile problems of the sector. Leumi ABL, however, could see the opportunity beyond the headlines and responded quickly, taking a long term and pragmatic approach to the deal. A CID facility was provided and we are all delighted with the outcome."

Jason Holland, Midlands Regional Sales Director at Leumi ABL commented: "Contech is well placed to build on their world class facilities and strong customer relationships. They have significant competitive strengths and are economically resilient and robust despite the recession. Having secured several new contracts they are also embarking on further investment in their operations and we look forward to supporting their continued growth."

t: 01273 716200
e: enquiries@leumiabl.co.uk
www.leumiabl.co.uk