

Increased working capital through extended payable terms.

“Tradecycle’s program has provided the additional liquidity we needed above and beyond our senior banking relationship. It was incredibly easy to implement, very efficient and had an immediate positive impact on our cash conversion cycle.”

CFO

Metals Processing Company

Highlights

- Tradecycle funds its clients payable obligations
- Tradecycle extends DPO for its clients creating instant liquidity
- Tradecycle’s solution is effectively “Finance as a Service”
- No UCC, liens or collateral required



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Problem

A Metals Processing company has battled through significant fluctuations in pricing and has been further impacted by the tariffs and trade war. After a peak in pricing in 2018, the steady decline has caused significant strain on the company’s working capital with their senior lender.

Solution

Tradecycle’s unique Payables Finance model was an ideal liquidity solution as it allowed the company to extend their DPO while assuring timely payment to suppliers. The extended payable term resulted in immediate improvement to working capital. Tradecycle’s program was implemented to work in unison with the company’s existing LOC without the need for intercreditor or subordination agreements. Further, the company has continued to use Tradecycle’s program to make strategic purchases of material to improve its internal operational schedule and take advantage of early payment discounts.

Results

The company obtained a 7-figure revolving facility to augment their existing capital structure

The company was able to implement Tradecycle’s program within 19 days of completing the application

The company has targeted use of the facility with key vendors to improve overall relationships and take advantage of early pay discount opportunities.