

Case Studies

Finance for expansion

As a leading importer of consumer electronics, this wholesaler was given the opportunity to acquire the exclusive Australian distribution licence for another major brand of audio & video equipment.



With their warehouse infrastructure already in place, the opportunity only required additional working capital for the stock, but without real estate equity this was not readily available.

Their successful expansion was funded by a \$2 million evergreen Inventory Finance facility, established with Provident to purchase the new brand of stock. Facility extensions have also been utilised for slow moving stock.

With minimal increases in fixed costs, the business is on track to achieve a 280% increase in net profits in the next year.

The right tools for growth



This well established tool manufacturer sells their products across Australia. When their overseas steel supplier suddenly cut payment terms and required upfront payment before

shipping, their existing factoring facility and overdraft were no longer able to supply the working capital necessary.

By establishing a \$500k Inventory Finance facility with Provident, supplier payments for raw materials are now made before the steel even leaves the mill. Associated costs such as shipping, customs agent fees and duties are also paid with Inventory Finance.

Increased raw steel orders have now resulted in a 5% supplier discount. Business growth is expected to increase 50% this year alone.

Tailor made solution

For this rapidly growing designer jeans company, paying upfront for raw materials, manufacturing and delivery was causing cashflow shortages.



Waiting up to 60 days for payment from retailers, combined with seasonal peaks meant that growth was restricted and at times there was insufficient stock to meet demand.

Using a \$1 million facility with Provident's Inventory Finance, they now have easy access to cashflow for stock purchases year round, without any requirement to have pre-sales. They can pay for stock upfront and align the loan repayments with receipts from retailers.

Inventory Finance is assisting this fashion company achieve a \$4 million increase in turnover this year which will result in a significant rise in net profits.

Inventory Finance for free



Being one of Australia's most respected fine wine merchants made the recent expansion into mail orders a natural hit with clients. Stock requirements rapidly increased to

meet new sales. Having used their available real estate equity to start the business some years ago, a lack of working capital sources placed this expansion in jeopardy.

Through a \$700k Provident's Inventory Finance facility, orders are now made in bulk, combining up to 14 shipments. Supplier discounts and freight savings received are well in excess of the inventory finance costs.

Without the need for additional real estate equity, this leading retailer is now able to increase their net profit potential by \$1.57 million this year.