

**SBA 7(A)**

# Local Handcrafted Popcorn Brand Grows into a Nationwide Business

**LOAN AMOUNT**

\$5,000,000

**LOAN PURPOSE**

SBA 7(a) Leasehold Improvements, Equipment and Working Capital

**THE SMALL BUSINESS**

Poppy Handcrafted Popcorn | Asheville, NC

**THE FINANCING CHALLENGE**

As an established business with the need for growth and improved efficiency, the owner had been faced with declining revenues and margins in 2023. The company was not operating on a profitable level as payroll, new hires, and other growth factors were large contributors to decreasing margins. Due to a lack of historical cash flow, our team was required to view this deal as a projection-based financing opportunity based on growth and efficiency in future operations. The management was able to ramp up the production team and make a key number of new hires in the lead up to relocating to a new facility. Most of the loan proceeds were comprised of leasehold improvements and equipment required for the business expansion. The company previously had two locations and was merging all operations into one to improve efficiency and take the next step to scale up.

**Here's what our borrower brought to Ready Capital:**

- An established business with a seasoned manager and strong growth in revenues since inception.
- The business is a well-known regional brand poised for national growth with great existing relationships and impressive media exposure.
- An experienced team including new strategic hires to aid in the expansion of the company.



**CREATIVE SOLUTION**

We took what would have been a challenging financing scenario and turned it into a \$5 million loan success story. Our team looked at the potential of the business in a new location on a projection basis considering all of their accomplishments and opportunities in order to push the loan through. Obtaining the loan was a big step forward in the company's ability to fulfill and produce orders on a much higher level. Our willingness to look to their promising future and provide a financing solution will allow them to improve the building, add equipment, and provide working capital to make them a national vs. regional player in their market.

## Reliable results

- We were able to approve the loan based upon the longevity of the business, experience of the management team, and projected cash flow.
- The loan provided necessary funds for leasehold improvements and new equipment.
- The loan proceeds allowed the company to bring all operations under one roof and thereby reduce costs, improve efficiencies, and ultimately provide the business an opportunity for growth.