

# Case In Point



## CHALLENGES

- Ownership struggled to make difficult decisions.
- Poor historical operating performance resulted in liquidity issues.
- The company's loan was placed in special assets with an immediate repayment demand.
- Escalating corn syrup and resin costs drove continued losses.
- Inefficient equipment resulted in excessive waste and poor efficiencies.
- Disgruntled middle management were adverse to immediate and necessary change.
- Declining customer base resulted in customer concentration issues and left little room for price increases.
- Declining end user demand drove increased price competition.
- Non-compliance issues with state environmental authorities and poor landlord relations threatened plant closure.

## SOLUTIONS

- Aurora identified and implemented immediate cost reduction initiatives to improve liquidity.
- Aurora refinanced the company with a new working capital lender.
- Aurora took on the role as Chief Restructuring Advisor to take control of poorly performing divisions and eliminated unproductive middle management.
- Aurora drove improvements in efficiencies and reduced waste in the underperforming Fruit Drink division.
- Aurora facilitated the sale of the Fruit Drink division to its primary competitor and shut down non-performing water bottling operations.
- The company consolidated all overhead functions to a cheaper and more efficient location.

## RESULTS

- Ownership is more secure with the long-term viability of the restructured company.
- The company has paid off its working capital line and refinanced under a more
- traditional cash flow loan.
  - Its current loan to asset value ratios make paying off all debt a possibility if further divisions need to be divested.
  - Agreements with the acquirer have alleviated all landlord and state environmental issues.

## INDUSTRY

- Bottler of Water and Fruit Flavored Beverages
- Blow Molder of Plastic Water and Fruit Drink Bottles
- Distributor of Home and Office Water and Coffee Services

## SERVICES

- Chief Restructuring Advisor, Refinancing, Operational Restructuring, Divestiture



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