

INTRODUCTION

Founded in 1932, Intelicoat Technologies manufactures coated paper, film, and specialty substrates for imaging technologies. These items are then sold to local distributors as well as medium to large-sized organizations. Intelicoat expanded its international reach in 1995 by opening a sales and marketing office in Amsterdam, the Netherlands, that focused on sales in Eastern and Western Europe. In 2002, they were acquired by Sun Capital Partners, a private equity firm.

“With the help of FGI Finance, our Amsterdam branch has been able to work more effectively in the European marketplace. This has allowed the branch to prosper and set new goals.”

**– Joseph A. Lupone,
President & CEO,
Intelicoat Technologies**

PROBLEM

Intelicoat received domestic funding from Wells Fargo, however, Wells Fargo had concerns about lending against foreign assets. As Intelicoat’s exports increased and their European division grew, the lack of foreign funding created a gap in working capital. Wells Fargo approached FGI Finance as a means of providing Intelicoat’s Amsterdam subsidiary with the funding it needed to succeed in the Eastern and Western European markets.

SOLUTION

FGI Finance partnered with Wells Fargo through an intercreditor agreement by carving out the export receivables in the U.S. and lending directly against them. Additionally, FGI provided a locally structured receivables finance facility in the Netherlands to fund Intelicoat’s European sales. Previously ineligible receivables in the U.S. and Amsterdam, in foreign currencies, then became eligible for borrowing in a multi-jurisdictional finance facility.

RESULTS

With the funds FGI Finance provided, Intelicoat increased its working capital in Europe. This reduced the burden on its domestic offices and eliminated the need for Sun Capital to continue injecting additional equity into the business. By providing liquidity against foreign A/R, Intelicoat was able to offer better terms to its customers and pay its suppliers on time, resulting in less working capital required.

Working Capital Required

