

# A Houston metal fabricator was at risk of failing, until we put them on our shoulders.

Perhaps no area suffered more from the recent oil and gas industry downturn than Houston, where more than 80,000 jobs were lost<sup>1</sup>. A twenty-year-old minority-owned machining company was one of those companies that suffered. They saw sales plummet from \$3MM a year to only \$650K in 2016.

<sup>1</sup> According to U.S. News, *Revised Data Show Oil, Gas Job Losses Steeper Than Thought*, March, 2017

## BIG CHALLENGES

With sales in a tailspin, the business couldn't make their debt payments, and their bank called their loan in February 2017. Nearly the entire 30-person staff was laid off. Area banks refused to throw them a lifeline, wary of any company imperiled by the oil and gas market problems. They were on the brink of liquidation. Then they called Big Shoulders Capital.

## BIG SHOULDERS

Despite their problems, the company had considerable equity in their machinery and real estate. They also had a plan in place to get back on their feet once the industry normalized. We funded a \$2MM term loan backed by their equipment and real estate assets, structuring their payments to facilitate regrowth. We were able to move quickly, and funded the company just eleven days before the bank was set to foreclose.

The instant cash infusion helped the machine shop continue operations during the depressed oil and gas cycle. They were also able to hire back most of their employees, and even withstood Hurricane Harvey in August 2017.

Today, business is booming and sales have bounced back to their earlier levels—allowing them to add a second labor shift. In December 2017 the company was strong enough to secure traditional bank financing and they repaid the Big Shoulders loan, in full, fourteen months early.



*It's hard to see your business at risk of failing. Big Shoulders saved us. Simply put—without Big Shoulders, I doubt we would be in business today."*

Sandy, Controller

We back big solutions with unsurpassed creativity and speed. To learn how we can help a business attain the best possible outcome, call us at **224.927.5330**.



Big Shoulders Capital provides creative debt and equity financing to lower middle market companies facing challenging situations. When traditional financing sources lead to frustrating dead ends, Big Shoulders Capital can often navigate a solution. Team members have deep experience helping businesses in numerous industries, especially in machinery and manufacturing. Big Shoulders Capital has a passion for helping companies in transition to build a stronger future.