

CASE STUDY

EQUIPMENT BUYOUT FOR FOOD PROCESSING COMPANY



OUR CLIENT —

Our client is a global food processing company that owns more than ten major brands, each generating more than \$1 billion in annual revenue. Due to supply contracts with distributors, production halts may result in financial penalties. To ensure steady production in each of their facilities, our client surplus stocks maintenance, repair and overhaul (MRO) equipment and spare parts for expedite equipment repair, retooling and upgrades.

OUR CLIENTS CHALLENGE

Prior to approaching us, our client had accumulated more than \$30 million dollars' worth of various types of surplus and used MRO and spare parts. As a result, our client faced the following challenges:



CHALLENGE 1

Our client's MRO and spare parts included electrical, hydraulic and pneumatic equipment, as well as instrumentation, transmissions, pumps and valves. Independently selling the equipment would have required resources that our client was unable to provide.

CHALLENGE 2

Our client stocked surplus MRO at more than 35 plants across North America. Our asset recovery strategy had to coordinate the logistics involved in transporting the equipment.

CHALLENGE 3

If our client disposed of their idle inventory, it would have violated their CSR pledge to make their operations more sustainable.

28.5 MILLION

worth of tax deductions



HOW WE HELPED

Since our client's surplus MRO and equipment was unused, we purchased their assets at a competitive rate of more than \$1.5 MIL. This purchase included arranging the necessary logistics to coordinate transportation from our client's 35 facilities.

✓ MORE SPACE

Removed 103,000 line items (**SKUs**) from storage

✓ MORE VALUE

Recouped more than \$1.5 million dollars on idle inventory and was eligible for more than \$28.5 million dollars' worth of tax deductions

✓ MORE SUSTAINABILITY

Avoided costly equipment disposal fees and fulfilled their CSR pledge to operate more sustainably.



**PROVIDE A SUSTAINABLE
ASSET SOLUTION**



**\$1.5 MIL IN ASSEST
RECOVERY**



**CLIENT RECOVERED \$28.5 MIL
OF INVENTORY WRITE-DOWN
CREDIT**