

# Frozen Food Manufacturer (“FFM”) Case Study

The logo for Tully & Holland, Inc. (T&H) is located in the top right corner. It consists of the letters 'T & H' in a white, serif font, centered within a solid red square.

- Leading maker of frozen fully-cooked meatballs and barbequed meat products
- Annual sales of \$40 million
- Stage One Need, Financial Situation/Constraints, and T&H Approach:
  - FFM was in need of \$6.5 million to finalize construction of a new plant, as well as relocation and consolidation of its two existing plants, while in non-compliance with bank covenants
  - T&H sent books to 54 mezzanine providers; term sheets from 3 finalists
  - T&H obtained \$6.5 million of mezzanine financing to complete build-out and consolidation
- Stage Two Need, Financial Situation/Constraints, and T&H Approach:
  - Approximately one year later, FFM was in need of \$16.5 million to refinance existing debt and consummate a frozen food acquisition initiated by T&H
  - 14 months after Stage One, T&H obtained an additional \$16.5 million of mezzanine financing
  - Proceeds used to consummate the acquisition of a leading maker of frozen dinners and family entrées with annual sales of \$50 million, and to consolidate and refinance existing debt
- Results/Solution:
  - Consolidated two plants into new processing facility
  - Doubled revenues via consummation of frozen food acquisition initiated by T&H
  - Recapitalized and simplified balance sheet