

## PRIVATELY-OWNED GLOBAL CAFFEINATED BEVERAGE COMPANY LEVERAGES SUPPLY CHAIN FINANCE TO INVIGORATE FINANCIAL HEALTH

Revitalizing corporate financial health is no easy task, but the demand to do it quickly intensifies when you're acquired by a private equity firm. This is why one global caffeinated beverage manufacturer turned to PrimeRevenue to implement a scalable solution that would generate material and timely results.

Facing \$6 billion in leveraged buyout debt on its balance sheet and a BB- credit rating, the company sought to improve its financial position by paying down debt and optimizing the cash conversion cycle.

### Internal Alignment Opens the Door to Rapid Implementation

The company's CFO, in partnership with the company's procurement lead, chose to implement a supply chain finance program which could optimize its cash conversion cycle by focusing strategically on payment terms with suppliers. The solution was a top priority across the organization, and rapid implementation and onboarding were crucial. Additionally, the company needed precision, scalability and the funding options necessary for success.

Backed by a long track record of program success and collaboration, PrimeRevenue conducted a working capital analysis for the beverage company to determine a target supplier group and optimal payment terms. PrimeRevenue's network of 80+ funders ensured liquidity was available for all suppliers, regardless of location or currency.

Partnering with PrimeRevenue to implement a proven methodology, the program was executed rapidly and successfully. The collaboration and dedication of resources from both parties resulted in a smooth implementation and high approval rate from suppliers.

### CASE STUDY SNAPSHOT



#### CHALLENGE:

BB- CREDIT RATING AND FACING

**\$6B**

IN LEVERAGED BUYOUT DEBT

#### RESULTS:

< 3 MONTHS GENERATED

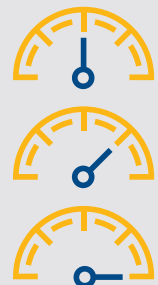
**\$750M**

IN FREE CASH FLOW TO PAY OFF 15% DEBT

DPO IMPROVED BY  
**110 DAYS**



S&P UPGRADED  
CREDIT RATING  
**3 TIMES**



Within only 60 days, 30 suppliers were onboarded across 2 ERP systems, leveraging 4 funders covering 2 currencies. PrimeRevenue was able to support implementation of global program as well as propel program growth. Since go-live, the beverage company's Supply chain finance program has quickly scaled to 10 funders providing liquidity to hundreds of suppliers.

### **Impressive Cash Flow Gain and Credit Rating Boost Enabled by Supply Chain Finance**

The impact of the beverage company's supply chain finance program was immediate and overwhelmingly positive. Within three months, it generated \$750 million in cash flow gain for the company, which was used to pay down 15 percent of its debt and increased trailing-twelve-months EBITDA by ~20 percent. Moody's estimated these reductions would contribute up to \$1 billion to the company's annual operating cash flow. In turn, S&P upgraded its credit rating from BB- to BB and continued program success led to two other increases in under one year.

The company has also substantially reduced its cash conversion cycle (CCC). With an average of 35.5 days, the beverage company's CCC is far superior to its industry peers whose median CCC is 57.1 days. This has given the company more working capital to invest in marketing and innovation across its beverage and supplier portfolio. As a result, the company has seen a return to top-line volume growth and an increase in household penetration from 3 percent to 20 percent in some markets. It's also brought in new key brand partners, which has helped accelerate sales and revenues.

Within the first year of implementing the supply chain finance program, the beverage company improved its operating income by nearly 15 percent. It also strengthened its balance sheet and cut its debt/EBITDA ratio by half.

Driven by this initial success, the company's supply chain finance program continually exceeds expectations and maintains an impressive growth trajectory. As a result, the company's improved cash conversion cycle continues to drive expansion and has created vast business opportunities.

As the business grows and expands, PrimeRevenue's solution can scale the program's funding and design to match. Most recently, the company acquired an American soft drink company and is extending its program to its newly acquired suppliers. This expansion was made possible by the financial health and improved working capital stemming from supply chain finance with PrimeRevenue.

Partnering with PrimeRevenue to implement a best-in-class supply chain finance program has empowered this caffeinated beverage company to grow and strengthen their business and enterprise value, resulting in high performance and a leading position in the beverage industry.

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**About PrimeRevenue** As a pioneer in global B2B payments, the PrimeRevenue SurePay Platform connects the entire supply chain by improving working capital and automating digital payments. Thousands of companies around the world leverage one streamlined platform to increase payment visibility, enhance control, and improve cash flow. PrimeRevenue is headquartered in Atlanta, with offices in London, Prague, Hong Kong, and Melbourne. For more information, visit [www.primerevenue.com](http://www.primerevenue.com).

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