

ReSolve Intervenes, Saves Producer of Plant-based Liquids

Company Background

ReSolve's client is a leading producer of plant-based liquids (the "Company"), which has been a key player in the wider milks and juices industry for over a century. The Company benefited from an early mover advantage in the plant-based milks space following initial investment in manufacturing capacity.

Like many other businesses, the Company underwent a difficult trading period during the COVID-19 pandemic. Compounding this, they had invested heavily in infrastructure, faced mounting energy costs due to being heavily energy reliant and felt the impact of one of its largest customer contracts being pulled. With concerns surrounding its financial situation in mind, the Company appointed a specialist advisor at the behest of the secured lender who recommended that the Company be put into administration. The advisor ran a special situations marketing campaign; however, this was ultimately unsuccessful.

ReSolve's Approach

ReSolve's advisory team, led by James Dowdall, was introduced to the Company in Spring 2023 to help find rescue options. This included coaching members of the management team, providing feedback on key proposals and providing clear insight on the Company's shortcomings with supporting solutions to ensure that productive conversations with potential investors could be had. The team also provided important insight into how the Company could streamline its costs by negotiating creditors down to enable greater balance sheet flexibility.

The ReSolve team ran an Accelerated M&A process bringing out the very best in the business, the wider market opportunities and the strength of the management team. This more focused and comprehensive process brought a number of investors to the table keen to explore an equity investment. The team then ran an informal CVA process to cramdown certain creditors while preserving others, using investor funds to settle obligations and with creditor compromise agreements forming a condition of the investment.

Results

The effect of this process presented an improved opening balance sheet position with material reduction in the company's obligations, creating the environment for investors to come in and recapitalise the business. With ReSolve's support, the business successfully recapitalised and is now debt free. The Company, along with 350 new jobs, has been saved, a great result for the business and the local community. The Company has gone on to win two new significant contracts and is positioned well for future growth.



James Dowdall, Partner at ReSolve, commented:

"We are thrilled with the outcome here, and are pleased to see that our work has added immense value to both the Company and its stakeholders. We are delighted that they will continue to operate and that we have saved hundreds of jobs in the process. We wish everyone at the Company continued success as the business moves forward."

