

Sale Leaseback Helps a PE-Backed Biotech Company Prepare to Sell

BIOTECH

MIDDLE MARKET

SALE LEASEBACK

Challenge

A company that specializes in the development and manufacturing of antibody-drug conjugates was navigating significant changes, including selling existing manufacturing facilities and potentially the entire business.

After building a fourth facility, the company was cash strapped. The private equity sponsor had invested more money in the build than originally planned, so additional funds weren't readily available. The company required short-term liquidity to keep the business humming until they could sell off the other facilities or the entire business.

Solution

CSC provided a sale leaseback on \$44 million of the original asset cost and provided an advance rate of \$20 million. This sale leaseback allowed the private equity sponsor to pad the balance sheet in the event the sale of the business took longer than expected. The company was then given the option to leave the \$20 million in the company or distribute it to shareholders.

Results

By partnering with CSC, the organization realized these benefits:

- Accessed predictable payments spread out over several years
- Experienced a simpler, more flexible underwriting process
- Non-dilutive financing with no covenants or warrants
- Gained full-service procurement services
- Received end-to-end asset management