



SUCCESS STORIES

SUCCESS STORY 1: BABYCO – RETAILER OF BABY FURNITURE

BabyCo is a retailer specializing in baby furniture such as high chairs, strollers, and travel cots, with annual revenue of €100 million. Remarkably, half of this revenue comes from a single high chair model, which also has a 50 percent retail margin.

By optimizing its working capital, BabyCo can free up €2.08 million (based on €25 million inventory value / 12 months).

This additional capital unlocks significant revenue potential: with a gross margin of 50 percent, this translates to possible additional annual sales of €49.92 million ($€2.08 \text{ million} \times 2 \times 12 = €49.92 \text{ million}$), resulting in an additional gross profit potential of €24.96 million per year.

SUCCESS STORY 2: PACKAGINGCO – FOLDING CARTON MANUFACTURER

PackagingCo is a manufacturer of folding cartons with annual revenue of €350 million and a material cost ratio of 50 percent. In this example, financing is applied to the primary type of cartonboard (wood-free, white, 300 g/m², size 70×100), which accounts for 20 percent of total material usage and is procured monthly.

The capital requirement for this raw material financing amounts to €2.92 million ($(€350 \text{ million} \times 0.5 \times 0.2) / 12$).

By freeing up working capital with an inventory turnover of twelve times per year, an additional sales potential of €70 million arises ($€2.92 \text{ million} \times 12 \times 2 = €70 \text{ million}$), resulting in an additional annual gross profit potential of €35 million at a gross margin of 50 percent.

These examples impressively demonstrate how targeted financing of inventory and raw materials can optimize working capital and unlock significant additional revenue and profit opportunities. Feel free to contact us!