THE ANATOMY OF A DEAL

How One Line Scaled Elevenfold with a Fast-Growing Beverage Brand

BY BEN BRACHOT

In 2019, Waterloo Sparkling Water was just two years old, VC-backed, with strong regional distribution across many of the industry's top retailers. The brand had already proven product-market fit and was showing every early sign of a company about to accelerate.

As Waterloo looked for a partner to fund its next stage of growth, it had its pick of lenders: banks and established ABL players alike competed for the senior position. That competition alone spoke to the company's creditworthiness, yet the structures on offer were built around financial covenants calibrated for mature, steady-state businesses; a poor fit for a brand deliberately investing ahead of its growth.



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For Dwight Funding, this was familiar territory. Its product was built for exactly this kind of borrower: a fast-growing brand that ties up cash to fund expansion long before it converts back. Dwight understood that restrictive covenants could penalize the very spending driving the growth.

In September 2019, Dwight closed a seven-figure AR and inventory revolver with no financial covenants, sizing availability to the strength of the working capital assets themselves, receivables and inventory, rather than a multiple of cash flow. From the outset, the line was built to grow alongside the brand, structured for a business Dwight knew was poised to scale rapidly.

"Waterloo is what a well-structured consumer ABL looks like over a full growth cycle. When you underwrite the trajectory of a business, not just the snapshot in front of you, the line can scale with the brand from the early stages all the way through maturity. That's the value of getting the structure right at the start," said Ben Brachot, co-founder & managing director, Dwight Funding.



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Scaling the Facility

Over roughly six years, the line grew elevenfold, scaling in lockstep with the business. These increases weren't part of a routine annual conversation. As Waterloo expanded operations, Dwight moved swiftly to provide the working capital support required, with each increase tied to a specific driver:

- **3x | National Grocery (2020):** Following a private equity investment, Dwight re-underwrote the structure and grew the line to roughly 3x its original size, supporting Waterloo's move into national grocery distribution, including Albertson's/Safeway and Kroger.
- **8x | Mass & Club (2024):** With national scale established across mass and club, including Walmart and Sam's Club, Dwight expanded the line to roughly 8x its original size and brought in a participating lender to support the increase.
- **11x | Continued Wholesale Expansion (2025):** The line reached 11x its original size as the brand kept scaling, including full national launches at Costco and Aldi.

"What's mattered most is that Dwight's structure has scaled with us at every stage without needing to renegotiate the fundamentals. That consistency has been valuable as we've grown and has made Dwight a great partner," said David Ingraham, CFO, Waterloo Sparkling Water.

Technology

Traditional asset-based loans are reporting-intensive by nature. For scaling consumer brands, many of which have intentionally lean finance teams, that level of friction shows up as headcount, not just hours.

Dwight built Atlas to solve this across its portfolio. The platform integrates directly with a borrower's ERP and accounting systems, accepts documents in their native formats, and automates processing rather than requiring a lean finance team to reformat and re-key.

As Waterloo's business grew in complexity, so did its reporting requirements. Atlas cut BBC turnaround by roughly 96%, compressing a time-intensive manual process into minutes and eliminating any need for additional headcount to manage their line. That trade is where a technology-enabled asset-based facility separates itself from conventional financing.

Conclusion

The line grew elevenfold over six years, keeping pace with Waterloo's position as the #1 fastest-growing independent sparkling water brand, with retail sales expanding at roughly five times the rate of the total sparkling water category (Source: Circana/IRI, MULO+, 2020-2025 retailer sales, excl. brands under $150MM). Across a private equity investment and several large-scale distribution wins, Dwight met each milestone without the introduction of onerous covenants.

Over six years into the relationship, it continues to grow. Long-term partnerships like these are built when a lender understands the category, moves quickly when it counts, and tackles industry-wide inefficiencies with innovative tools like Atlas. That is what the right partner looks like for a consumer brand built to scale.

Ben Brachot is co-founder and managing director of Dwight Funding, an asset-based lender to growth-stage companies across DTC, CPG, and other high-growth sectors. By combining deep industry expertise with Atlas, its proprietary loan servicing and risk management platform, Dwight delivers an efficient and transparent ABL experience designed for the acute needs of today's leading brands. Prior to Dwight, Ben was a Director at FGI Finance where he led hundreds of ABL transactions and grew his team's presence throughout the US, UK and beyond. He graduated with a B.S. in Finance and Marketing from NYU Stern School of Business.



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