

PRECISION TOOL INDUSTRY INSIGHTS

Forging Ahead: How Flexible ABL Financing is Fueling Growth for U.S. Manufacturers

BY MICHELE OCEJO

For manufacturers, growth often depends on having capital that moves as quickly as the business does. This article shows how asset-based lending and factoring can help companies refinance debt, improve liquidity and invest in equipment, operations and expansion—without being limited by traditional credit structures. For companies weighing their next move, these real-world examples offer a practical starting point.

Across America's manufacturing sector, companies that build the parts, tools, and systems powering our economy depend on one essential input: liquidity. Working capital fuels production runs, supports payroll, and funds investments in new technology.

Yet for many precision manufacturers, traditional credit options don't always align with real-world operating cycles. Enter asset-based lending (ABL), a powerful, flexible financing model that unlocks the value of a company's assets to provide immediate, scalable access to capital.

Recent transactions from First Business Bank, Celtic Capital Corporation, and Great Rock Capital illustrate how modern ABL solutions are empowering manufacturers across the country to refinance, reinvest, and position themselves for the future.

The Challenge

For middle-market manufacturers, maintaining liquidity during periods of growth, restructuring, or capital investment is often a balancing act.

- A long-established precision-machined metal parts manufacturer needed a new financing solution to refinance existing debt while maintaining the flexibility to invest in growth and equipment modernization.
- A decades-old manufacturer of precision components and assemblies faced a similar crossroads, looking for a way to pay off its bank while combining multiple asset-based solutions into one cohesive capital structure.

- A leader in high-pressure aluminum die casting and precision machining, required a creative financing structure to strengthen its balance sheet, refinance debt, and support upcoming capital expenditures.

Each company was thriving in its field, but all needed a partner willing to look beyond traditional metrics, a lender that could structure credit around opportunity, not constraint.

The Turning Point

Each business found that partnership through asset-based lending, purpose-built facilities designed to align capital availability with tangible business strength.

- First Business Bank provided a \$6.85-million financing package—including a revolving line of credit, CapEx equipment line, and real estate term loan—to refinance a Texas precision-machining manufacturer. The comprehensive structure not only improved liquidity but also gave the company flexibility to seize future growth opportunities.
- Celtic Capital Corporation partnered with another lender to deliver a combined \$4-million equipment and working capital solution to a Midwest-based manufacturer of precision components. Celtic's \$2.5-million equipment-only loan, paired with a \$1.5-million participation in A/R and inventory lines, allowed the company to pay off its bank, consolidate its obligations, and continue operations seamlessly.
- Great Rock Capital structured a \$23.8-million senior secured term loan facility, which included both a term loan and a delayed-draw term loan. Working in collaboration with the revolver lender, Great Rock's solution refinanced existing debt, enhanced liquidity, and provided headroom for future capital expenditures.

Together, these transactions show how the modern ABL model goes beyond financing, it delivers partnership, problem-solving, and the ability to adapt to complex corporate needs.

The Results

With their new financing in place, these companies gained not only stability but also strategic momentum:

- The precision manufacturer can now reinvest in machinery and workforce capacity, backed by a lender that understands the cyclical nature of industrial demand.
- The component manufacturer achieved a cleaner capital structure and improved liquidity, freeing up cash flow to focus on operations rather than debt management.
- The leader in high-pressure aluminum die casting and precision machining emerged from its refinancing with a more flexible balance sheet and stronger footing to pursue long-term innovation in the transportation and industrial sectors.

In each case, ABL delivered more than working capital, it delivered confidence, control, and clarity about the future.

The Human Element

“Our lender didn’t just write a check, they listened, understood our business, and structured a solution that fits how we actually operate,” shared one manufacturer’s CFO. “That flexibility is invaluable in this environment.”

From small precision shops to large industrial platforms, ABL financing is enabling leaders to focus on what they do best: building and innovating, with the peace of mind that their capital partner is as adaptive as they are.

The Broader Lesson

Across America’s industrial base, asset-based financing has evolved into a strategic tool for transformation. These deals represent the next generation of partnership between manufacturers and financial institutions, relationships built on trust, transparency, and shared vision.

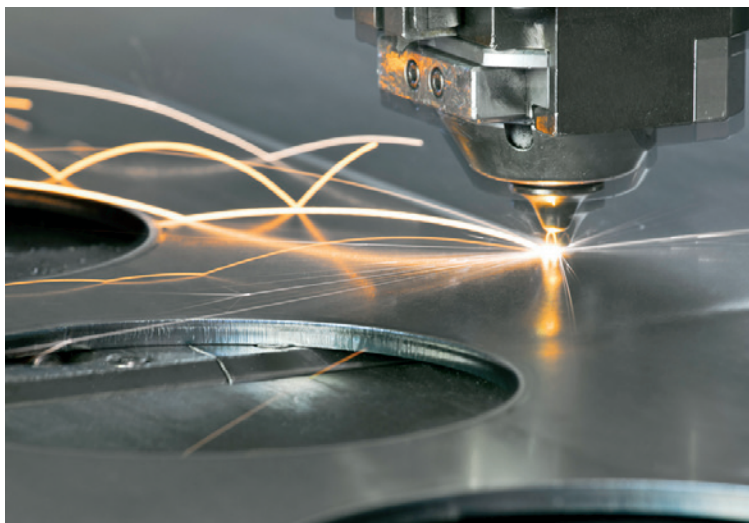
By turning hard assets into smart liquidity, ABL allows manufacturers to innovate, reinvest, and strengthen their foundations without waiting for permission from the traditional credit market.

Factoring can also be an effective financing option for borrowers, particularly those that need faster access to cash tied up in unpaid invoices. By converting accounts receivable into immediate working capital, factoring can help companies manage payroll, purchase materials, fulfill new orders and bridge timing gaps between production and customer payment. For growing manufacturers, it can provide liquidity that scales with sales while easing pressure on cash flow.

Factoring and ABL financing are not stopgap measures, they’re strategic enablers of growth. 📦

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