

AEGIS Capital Solutions

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Aegis Capital Solutions' Introductory Newsletter

Aegis Capital Solutions... Financing Solutions for your business that meet your needs

Many companies today are feeling the "squeeze" from their bank or other lenders and in many instances this impacts the ability of the business to grow and increase in value. During these challenging times, owners and managers may not have the time to review alternatives to make sure the company has the most financing available at the lowest cost. That is where Aegis can help.

Aegis can provide an impartial perspective on your financing arrangements and help to ensure that the financing plan is consistent with your business plan. On a project basis, we can focus on building the financing plan, sourcing the financing and closing the financing transaction. This allows the owners and managers to concentrate on building the business.

Aegis works with many major lenders and financing sources in Canada and the U.S.. We have experience with all Canadian and Ontario financial support programs which can, in some cases, provide a low cost source of funds. We have strong contacts in the mezzanine and subordinated debt markets should that type of debt be appropriate. We also work with numerous private equity and venture capital sources who can provide companies with equity capital where required.



Competition Among Banks For Business Financing

Competition for business lending opportunities has begun to heat up in Canada.

Many Canadian companies have seen the cost of borrowing increase while the amount of available financing decreased. Mark McQueen, President and CEO of Wellington Financial in April 2011 stated:

"commercial and corporate lending by chartered banks to Canadian-based businesses is still down by about \$20 billion since December 2008" adds McQueen, "there are good signs of progress versus 2010."

The Senior Loan Officer Survey conducted by the Bank of Canada for the second quarter of 2011 indicated the "greatest consensus on easing credit conditions since the survey began in 1999".

Businesses operating in Canada today have many alternatives to secure the financing necessary to allow their business to grow. There are several foreign based banks operating in Canada and are providing financing for Canadian businesses. These banks can provide the treasury functions required by businesses and often can reduce financing costs for the business and increase the amount of credit available.

The large Canadian banks are facing increased competition from their peers and from foreign banks and from "near banks" for lending opportunities to Canadian companies. The conditions are ideal for Canadian businesses to explore alternative financing arrangements in order to reduce cost of funds and increase availability.

Deetag USA Ltd.

We are pleased to announce the closing of a financing to provide working capital financing for our U.S. expansion:

\$1.5 million operating line of credit



Funding provided by Comerica Bank



Financing made possible by the support of Export Development Canada



Aegis Capital Solutions served as advisor to arrange financing



For complete story, please see reverse

TO FIND OUT MORE ABOUT AEGIS CAPITAL SOLUTIONS:

www.aegiscs.com



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Lease Financing is Back

The recent financial turmoil caused many lenders to cease lease financing for Canadian businesses. This left many growing Canadian companies without viable options to acquire much needed capital assets. Recently, many new and former players in the lease financing market have returned with a vengeance to provide much needed expansion capital for Canadian businesses.

Lease rates and terms are now very competitive with bank term financing and provide the company with up to 100% financing on new capital purchases. The use of lease financing provides the company with the benefit of preserving the capital available under existing financing arrangements to be used in other ways to help the business expand and prosper.

Leasing companies are open to consider all types of capital asset transactions including: sale/leaseback arrangements, used equipment, new equipment and virtually any type of long lived asset purchase including computer software and hardware.

Lease financing is now an option that all Canadian companies should consider when making purchases of capital assets.

Deetag Capitalizes On Business Opportunities in the US

DeeTag is a London, Ontario based supplier of hydraulic hoses, fittings and hydraulic assemblies that has been supplying construction and defence industry equipment manufacturers for over 30 years.

Despite being in one of the worst recessions in 60 years, when the opportunity arose to expand into the US, Dean Gordon, President of DeeTag, jumped at the chance. Dean knew that expanding into the US during a tough economic time was going to take a sizeable investment which was initially done through the company's Canadian operations. DeeTag's value proposition – delivering confidence by providing the right product on time, every time was starting to provide very positive results as major US customers dramatically increased their orders. At the same time, DeeTag's Canadian business was growing rapidly with their existing long-term customers. Dean realized that DeeTag needed to find additional funds to finance this rapid growth.

Dean turned to Aegis Capital Solutions for advice. Aegis quickly provided DeeTag with a very cost effective and creative solution that resulted in a \$1.5 Million loan facility with Comerica Bank in combination with an EDC program that supports Canadian businesses.

DeeTag was amazed at the fresh ideas that came from Aegis and in particular the professional advice and support along the way. Dean remarks "Mark and John of Aegis responded immediately to DeeTag's needs. They quickly came to understand our business, prepared a comprehensive financing information package including business plan, projections and financial analysis needed to tell DeeTag's story to the lending community. It was the best result DeeTag could ask for!"



Aegis Equipment Finance – Financing Solutions that meet your needs.

We do the work so you can focus on building your business.

Aegis Equipment Finance understands that every financing opportunity is unique. We create innovative equipment financing structures to meet your very specific needs. And we give you unparalleled customer service so you can concentrate on managing your business, and creating value. We work extensively with many funding sources to provide you with the most competitive equipment financing available in the marketplace. We have extensive experience in working with clients across all manufacturing, mining, distribution, oil and gas, and service industries.

Aegis Equipment Finance offers a full complement of financial services including:

- Term financing
- Lease financing
- Fixed and variable interest rates
- Flexible terms and payments options
- Equipment sale and leaseback programs
- Equipment refinancing program
- New or used equipment



For a free assessment of your financing, contact: jgunn@aegisef.com or call 519-902-0550.