

# Liquidity engineering

## Smooth transition, frictionless technology

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Laurence Holder, CEO, SBZ Corporation Ltd



## SBZ CORPORATION

*The major alternative*

### About SBZ Corporation Ltd

Founded in 2003, SBZ Corporation Ltd ("SBZ") manufactures, supplies and globally distributes a range of fuel additives, lubricant additives and components, base oils and marker dyes, as well as a portfolio of specialty products, including waxes and process oils. SBZ's journey began two decades ago with great vision, passion and focus on creating the 'major alternative' within the industry, offering mutual growth and a mission to exceed customers' expectations. SBZ offers an extensive portfolio of products to meet the needs of international oil groups, global fuel storage and supply terminals, fuel blenders, lubricant manufacturers and fuel wholesalers worldwide. The company has brought together a wealth of industry, operational and technical expertise to deliver performance products and exceptional customer service and has expanded its footprint to include Europe, the USA, and Asia.



### The challenge

Laurence Holder, CEO of SBZ Corporation Ltd, said: "We were experiencing fast growth and could see multiple business opportunities in our key markets. However, we had stretched the limits of our funding availability with our existing invoice finance provider. We, therefore, wanted to find a new funding partner that could provide a more entrepreneurial approach than the conventional high street lenders to support the next phase of our business growth."

SBZ imports products from Europe and worldwide to blend in the manufacturing process to provide a wide range of additives, predominantly sold into the engine oil manufacturing market. The company sought a more holistic working capital solution to generate increased funding to support the import of raw materials to meet the continuing rise in customer demand.

### Investec's solution

Investec Capital Solutions structured and delivered a £12m receivables facility together with a £3m Revolving Advantage Loan to support SBZ's acquisition of raw materials and provide the company with the funding power to take advantage of supplier discounts.

Laurence Holder commented: "Investec was able to offer a smooth transition from our existing funder without any headaches and we've found them to be a lot more flexible in respect of their funding limits. The revolving loan facility they structured supports essential growth, providing additional working capital headroom for the purchase of raw materials, giving us the flexibility to make a direct purchase and sale on a back-to-back basis when required. One thing we've found particularly refreshing is that Investec has a much flatter structure than traditional banks, making communication very straightforward. You don't have to jump through hoops and waste time as you can always talk with a decision-maker. Investec's administration team has also been

great to work with. They're always quick to answer the phone and are very responsive."

With the new facilities in place, SBZ is well-positioned to deliver on its medium-term goals in the UK, with the confidence of having the working capital to support them.

Investec's digital platform, Intelligent Cashflow, also saves the finance function considerable time, offering real-time access to liquidity 24/7. Laurence Holder added: "Investec's technology extracts the information from our accounting software and there are no additional manual processes involved to upload the data. We also don't have to produce a monthly reconciliation, which saves us time and makes the solution smooth and convenient for our finance team to use."



## Outcome

Being close to local and international market fluctuations, trends and insights has played a key role in the company's growth as SBZ continues to forge close partnerships with its customers, suppliers, distribution, and bulk storage partners to fulfil its promises.

Sustainable growth is a key focus for the next five years, with the planned expansion of the business in the USA, the Middle East and African and Southeast Asian markets. With further investment in manufacturing plants, laboratories, strategic bulk storage and key personnel, the company offers a secure global supply to meet its customers' requirements.

Laurence Holder continued: "We want to grow together with Investec and look forward to deepening our relationship with them over time to help us fulfil our goals. That involves understanding more about their capabilities and what they can do for us. In turn, their team is keen to find out more about how we work, so they can support us on our journey. We are already working with Investec's Corporate Treasury specialists on FX spot deals and would like to involve them with our hedging strategy going forward. Plus, we're planning to have a conversation with their asset finance team in the near future to see what we can do together."



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