

CASE STUDY:

Upscale Furniture Retailer



Rethink

A \$350+ million privately owned furniture distributor and retailer strapped with limited liquidity due to over-expansion and extraordinarily high inventory levels, was in violation of its bank covenants resulting in fractured relationships with its multiple secured banks. No clear pathway to restore liquidity and profitability.

React

Aurora was engaged as financial advisor to the creditors assisting the Company in assessing its future cash flow outlook and profitability. Aurora managed relationships with the bank group during the forbearance process, worked with the Company to achieve compliance with the banks' terms and prepare for refinancing, including liquidity and profitability forecasting along with inventory reduction planning and store viability assessment.

Results

Poor performing stores identified for closure and inventory reduction plans were created and implemented. Credible cash flow forecasting was put in place to manage the business. The current banking consortium was paid in full. The Company was refinanced with new sources of capital.