



"Main Street's ability to provide 100% of the transaction proceeds and provide patient, long-term capital that allows us the flexibility to weather potential negative business cycles and aggressively act on opportunities as they arise allowed our management team to position the company for the success that it is experiencing today."

— Kyle Stavig
CEO, SI East

Transaction Summary

Company

- Management team with extensive industry knowledge
- Unique geographical competitive advantage
- Third largest domestic producer of new steel drums

Transaction Type

- Recapitalization and acquisition financing
- One-stop financing

Original Investment

- \$55,000,000 (debt and equity)

Investment Structure

- Senior secured debt
- Minority equity investment

The Business

SI East is a manufacturer of new steel drums, operating under the General Steel Drum (GSD) and North Coast Container (NCC) legal entities. SI East is the third largest producer of new steel drums in the US, producing a wide variety of products, including tight head, open head, interior lined, high and low density polyethylene plastic liners and unlined drums among various others. SI East serves a diverse blue-chip customer base across the chemical, resins, food products, petroleum, environmental, flavoring and recycling industries, among others. SI East operates out of two strategically-located facilities with GSD in Charlotte, North Carolina and NCC in Cleveland, Ohio.

The Transaction

SI East was introduced to Main Street by an intermediary that was representing the business in their pursuit of growth financing. The Company is owned and managed by four brothers who were seeking a financial partner to assist them in executing on both the near-term acquisition of NCC and other strategic organic and inorganic growth initiatives. Main Street's unique structural flexibility, long-term partnership approach and capacity for additional investments led the Company to choose Main Street as their ideal partner to take the Company through its next phase of growth.

Main Street's initial investment consisted of a senior secured term loan and minority equity investment, providing 100% of the capital necessary to facilitate the acquisition of NCC, refinance the Company's existing debt and provide a distribution to the Company's equity owners. Main Street's structure provided a flexible and unique opportunity for the existing management team and owners to maintain their majority ownership stake in SI East while maintaining a capital structure that provides for additional future growth financing to fund the Company's organic growth initiatives and near-term acquisition opportunities.

The Results

Before Main Street Partnership

SI East's owners sought a financial partner that could provide the Company with a flexible capital structure to execute on growth while allowing them to maintain control

The Company desired a financial partner with significant transactional experience to assist the Company in driving its strategic acquisition initiatives

SI East's goal was to obtain long-term, patient capital that could allow the Company to navigate negative economic cycles and execute on growth opportunities



Since Main Street Partnership

Main Street's significant asset base and management-centric operating model made it the ideal partner for the Company

Main Street's streamlined diligence process and robust transactional experience provided SI East confidence in its ability to execute on time-sensitive acquisition opportunities

Main Street's long-term investment model and lack of structural exit requirements uniquely positioned it to provide SI East with the flexibility and stability that the owners sought