LOAN REQUEST · LENDER MEETING

Tollgate Metalworks

A second bay and a CNC plasma table

$185,000 SBA 7(a) term loan · 10 years

Example business (fictional) · sample deck prepared by Acrid Team



The ask, on one slide

$185,000

SBA 7(a) term loan, 10 years

Owner injection: $25,000 (12% of the $210,000 project)

Collateral: the equipment it buys, existing equipment, and both owners' guarantees

Why now: we declined $142,000 of quoted work in 2025 because one bay and hand cutting could not get to it. The second bay and the table remove both limits.

What it buys

A 5x10 CNC plasma table, a second bay with its own door and a 2-ton crane. Cutting that takes a welder hours takes the table minutes, and a trailer in one bay no longer stops stair work in the other.

What it returns

Projected 2026 revenue of $935,000 (+$154,000), from 60% of the work declined last year plus faster turns on existing jobs. No price increases assumed.

How it is repaid

From operating cash flow. The new payment is covered 1.9x in year one and 1.3x if revenue falls 15%. Break-even with the payment is about 83% of 2025 revenue.

Eleven years of steel, seven people, one bay

2015

Founded by two partners. Still owner-operated, both on the floor every day.

7

Employees, four of them certified welders. One office manager, one apprentice.

3,200

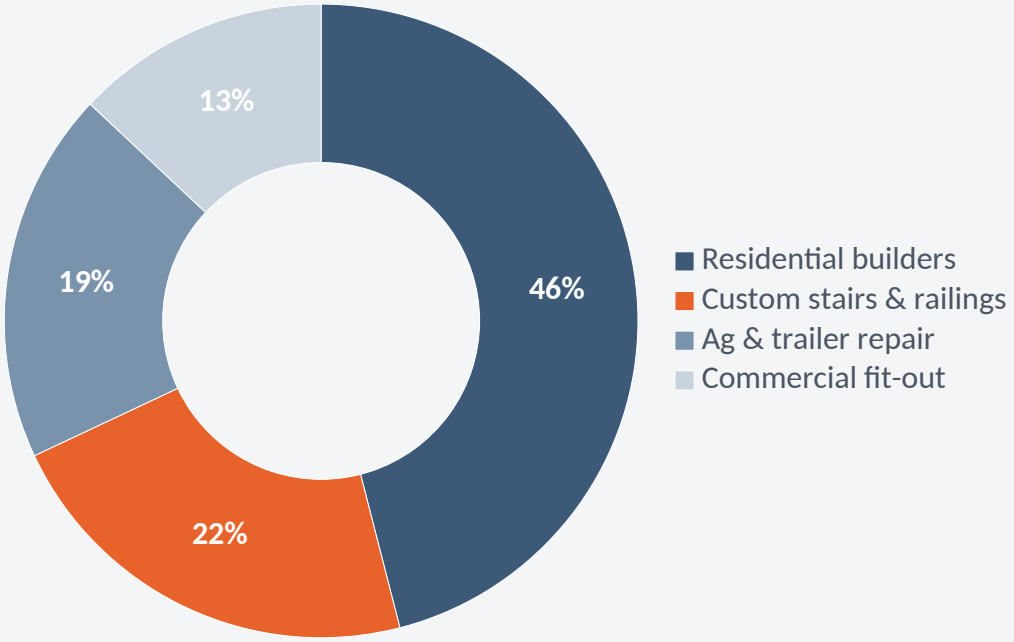
Square feet of shop. One bay, one 12-foot door, one hand plasma cutter.

38

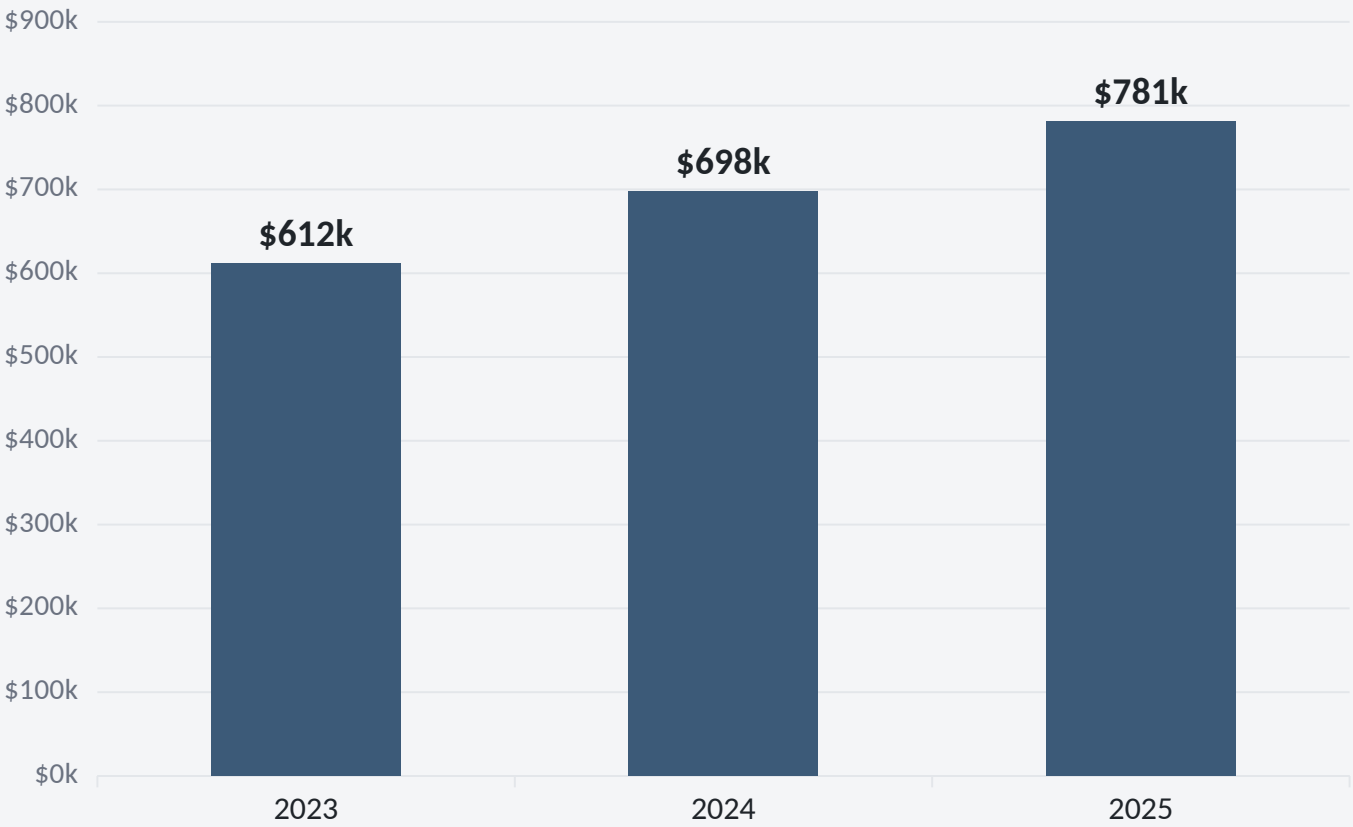
Active accounts. 61% of 2025 revenue came from customers who had bought before.

What we make: structural steel for residential builders, custom stairs and railings, trailer and farm-equipment repair, light commercial fit-out.

2025 revenue by customer type



Three years of growth, same four walls



38%

gross margin, steady three years

10.2%

net margin in 2025 ($79,700 net income)

$142,000

of quoted work declined in 2025 for lack of capacity

Figures from filed returns and the YTD P&L, attached.

The bottleneck is cutting, and the bay

1

Hand plasma and a grinder

About 11 hours a week of a certified welder's time goes to cutting plate and cleaning edges. The CNC table cuts a full 4x8 sheet of parts in 12 minutes, to within 1/32", with no grinding.

2

Six-week lead time

Larger shops quote two to three. Builders schedule around us when they can and go elsewhere when they can't; that is where the $142,000 went.

3

One bay, one door

When a trailer or a piece of farm equipment is in for repair, stair and railing fabrication stops. A second bay separates repair from fabrication.



The table in the vendor quote: 5x10 water table, torch height control, nesting software. Training for three staff is in the price.

Use of funds: $210,000, itemized from vendor quotes

Item	Source	Amount
CNC plasma table, 5x10, software, install, training	Vendor quote A (attached)	$74,000
Second bay build-out: slab, 14' door, 3-phase power	Contractor quote (attached)	$58,000
2-ton bridge crane, installed	Vendor quote B (attached)	$26,000
Welding positioner + two MIG machines	Vendor quote C (attached)	$18,000
Working capital, first 90 days (consumables, hire)	Owner estimate	$20,000
Contingency (about 7%)		$14,000
Total project		**$210,000**

Funded by

$185,000

SBA 7(a) loan · 88%

$25,000 owner cash · 12%

Timeline

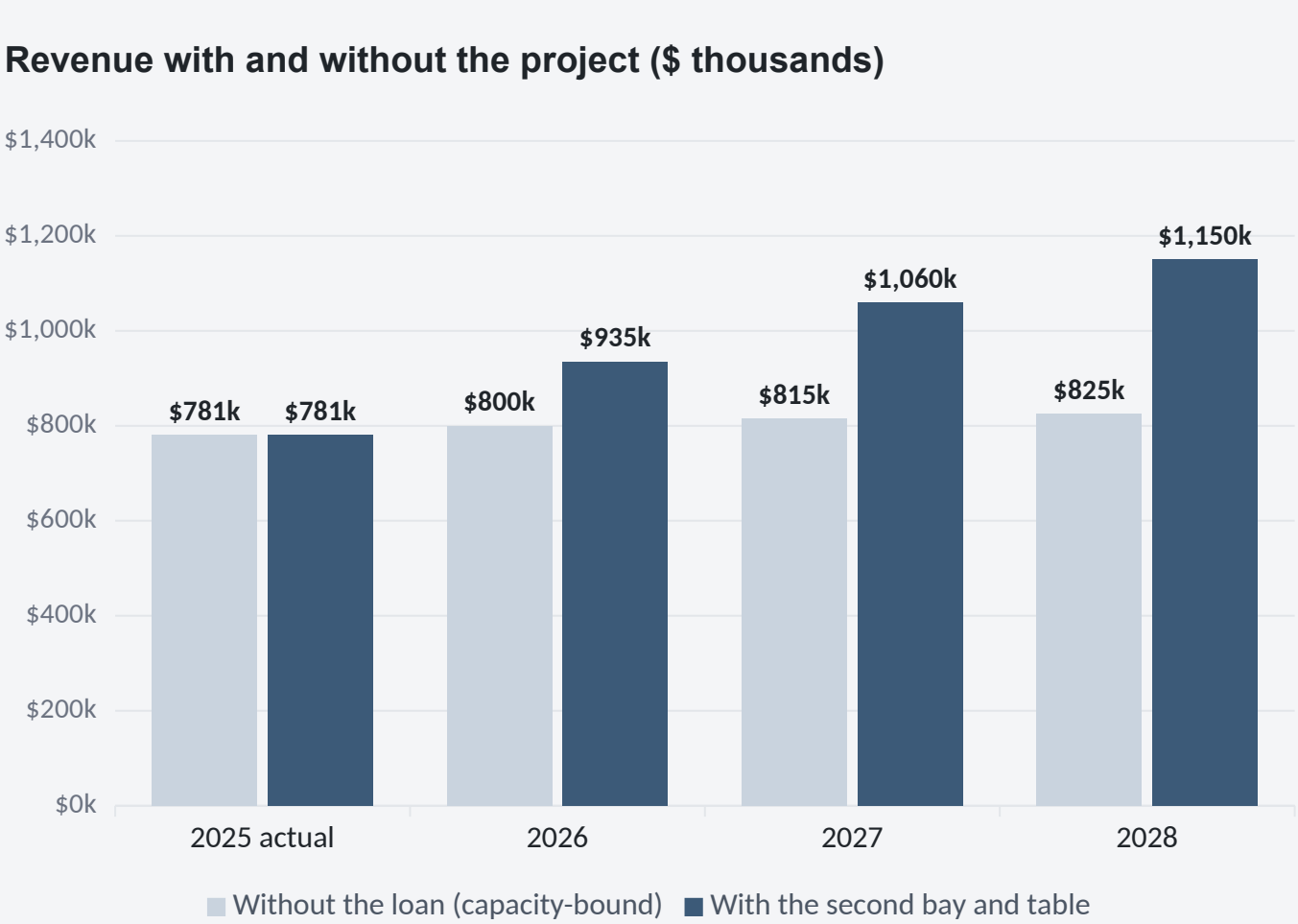
Close by December

Table lead time 8 weeks; build-out 10 weeks, run in parallel

Second bay cutting parts in Q1

Second welder hired month 4

Projections: the conservative case



What the 2026 number assumes

+$85,000
60% of the work declined in 2025 comes back. Builders who asked once tend to ask again.

+$69,000
Faster turnaround on existing accounts: 15% more jobs from the same customers.

0%
Price increases assumed. None.

+3 pts
Gross margin from 2027, as cutting labor drops. Not counted in 2026.

Repayment: covered 1.9x in year one, 1.3x in a bad year

Monthly payment

$2,445

$185,000 over 10 years at an assumed 10.0%. Replace with the term-sheet rate; at 9.0% the payment is $2,343, at 11.0% it is $2,548.

Break-even with the new payment

$650,000

About 83% of 2025 revenue covers every fixed cost, owner pay and all debt service, before any margin gain from the table.

Year	Cash available for debt service	Total debt service	Coverage
2025 actual, as if the loan existed	$58,000	$36,540	1.59x
2026 projected	$71,000	$36,540	1.94x
2027 projected	$84,000	$36,540	2.30x
Stress: 2026 revenue down 15%	$47,500	$36,540	1.30x

How the rows are built. Cash available = net income + depreciation + interest, after owner salaries at their current level. Total debt service = the new payment ($29,340 a year) plus the existing truck loan ($7,200 a year, 2 years left). The stress row cuts 2026 revenue to $795,000 and holds costs flat; it does not assume we would cut anything, though we could.

Most lenders want coverage above 1.25x. Every row clears it.

Collateral, capital, character

Collateral

- Purchase-money lien on the CNC table and crane ($100,000 new)
- Existing equipment, appraised at $96,000 (list attached)
- Accounts receivable, $61,000 average balance, 34 days
- Personal guarantees from both owners

$257,000

pledged against a $185,000 loan: 1.4x

Capital

- $25,000 owner cash into the project
- $112,000 retained in the business over three years
- One truck loan outstanding, $18,400, paid as agreed since 2023
- No other debt, no liens, no judgments

$137,000

of the owners' own money in the business

Character

- Eleven years operating, same two owners
- Both owners' personal credit above 720
- 38 active accounts, 61% repeat; builder references on request
- Taxes, payroll and vendors paid on time; statements attached

11 years

same two owners, nothing paid late

What could go wrong, and what we do about it

	RISK	WHAT WE DO ABOUT IT
1	**Customer concentration** Top account is 22% of revenue.	New capacity targets six new builder accounts in 2026; no single account above 15% by 2027.
2	**Steel prices** Plate and tube move 10-20% in a year.	Quotes valid 30 days; a material pass-through clause in every contract over $10,000.
3	**Key person** Only one of us has run a CNC table.	Vendor training for three staff is in the quote; the second welder is certified on it in month one.
4	**A slow year** Builders pull back when rates rise.	Payment covered at 83% of 2025 revenue; a 15% drop still covers debt service 1.3x. Repair work is counter-cyclical and stays in the old bay.

THE ASK

$185,000, ten years, closing by December

Buys a second bay, a CNC plasma table and a crane. Takes the work we already win. Repaid from operating cash flow at 1.9x coverage in year one, 1.3x in a bad one.

Next steps

1. Lender review of the attached package
2. Site visit any weekday; the quote log and job board are on the wall
3. Term sheet; we swap the assumed rate on slide 8 for yours

Attached with this deck

- ✓ Business tax returns, 2023-2025
- ✓ YTD profit and loss, balance sheet
- ✓ AR and AP aging
- ✓ Quote log: jobs declined in 2025
- ✓ Vendor quotes A, B, C and contractor quote
- ✓ Lease addendum (LOI) for the second bay
- ✓ Equipment list with appraisal
- ✓ Personal financial statements, both owners
- ✓ Business debt schedule (one truck loan)

owner@example.com · Example business (fictional)