First National Capital Provides $22 Million to Fund Blue-Chip Contract Expansion for Packaging and Printing Manufacturer

Fulfilling the growth contract meant a $22 million investment by a company operating with thin debt service coverage and limited liquidity availability



First National Capital Logo

IRVINE , CA, UNITED STATES, September 24, 2026 / EINPresswire.com/ -- First National Capital Corporation, one of the largest independent providers of capital equipment and project financing in North America, today announced it has provided $22 million in equipment financing to a packaging and printing company, funding the digital press and finishing equipment required to fulfill a major new contract with a blue-chip customer.

The contract was a transformational win, and it came with a capital requirement to match. Fulfilling it meant a $22 million investment in equipment carrying a 12-month lead time, committed by a company operating with debt service coverage of roughly 1.2x, little cash on the balance sheet, and limited liquidity availability. At the same time, the company was bringing in a new equity partner and retiring a group of preferred equity shareholders, and its senior lender had to agree to additional external debt in the middle of that transition.

That combination is where conventional credit tends to stop. A thin coverage ratio reads as a decline on a scorecard. A year between commitment and installation means paying for equipment long before it produces revenue. And a capital structure in motion, with equity entering, preferred holders exiting, and a senior lender protecting its position, requires a financing partner willing to align parties who do not naturally share the same priorities.

The transaction grew out of a relationship First National had built with the company over nearly three years. Before committing, First National's team visited the operation and came away confident in management's ability to execute the contract. The firm provided $22 million for the long-lead-time equipment, structured with progress payments through the build and installation period so the company could preserve cash flow during ramp-up rather than fund equipment ahead of contract revenue. First National worked directly with the incoming equity partner to

create a seamless transition, coordinated with the senior lender to align the new equity and the new debt, and worked with the equipment vendor to give it confidence that the financing would close and that it would be paid.

“On paper, this was a company with 1.2 times coverage, no cash, and a year of waiting before the equipment earned a dollar. In reality, it was a management team that had just won the kind of contract that changes a business,” said Philip Gronnerud, SVP and Co-Founder of First National Capital Corporation. “We had known this company for almost three years. We had been in their plant. We understood what the new customer meant and what the new equity meant. So the question was never whether to lend. It was getting the senior lender, the incoming investors, and the equipment manufacturer moving in the same direction, and funding the build so cash flow survived the ramp. That is what a capital partner does that a credit scorecard can’t.”

The transaction reflects a pattern First National sees across middle-market manufacturing: the contract that transforms a business often arrives before the balance sheet that would satisfy a conventional lender. Long lead times, progress payment needs, and capital structures in transition are routine in a growth moment, and they are exactly the conditions under which standardized credit processes break down.

First National Capital Corporation has completed more than $5 billion in funding of equipment, technology, aircraft, and capital projects for mid-sized and large companies across North America, with transaction capacity from $500,000 to $250 million.

ABOUT
About First National Capital Corporation: First National Capital Corporation is a leading independent provider of capital equipment and project financing, headquartered in Irvine, California. Taking an investor’s approach to CapEx funding, the firm designs solutions that reach beyond the limits of traditional lending, including equipment finance and CapEx lines, technology finance and leasing, private aircraft loans and leases, and complex project finance. First National serves clients across manufacturing, oil and gas, aviation, data center and technology, private equity, construction, mining, marine, and other capital-intensive industries. Learn more at firstncc.com.

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