



Export Growth Opportunities for the Craft Brewing Industry



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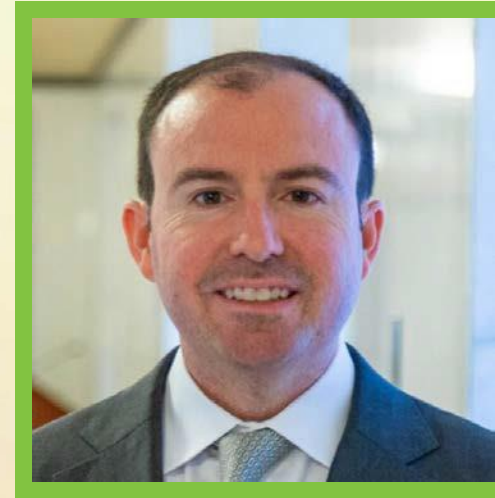
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Introducing Our Speakers:



**SHARYN H.
KOENIG**

Managing Director,
Eastern & Western Regions



**KENNETH
CLICK**

Business Development
Specialist

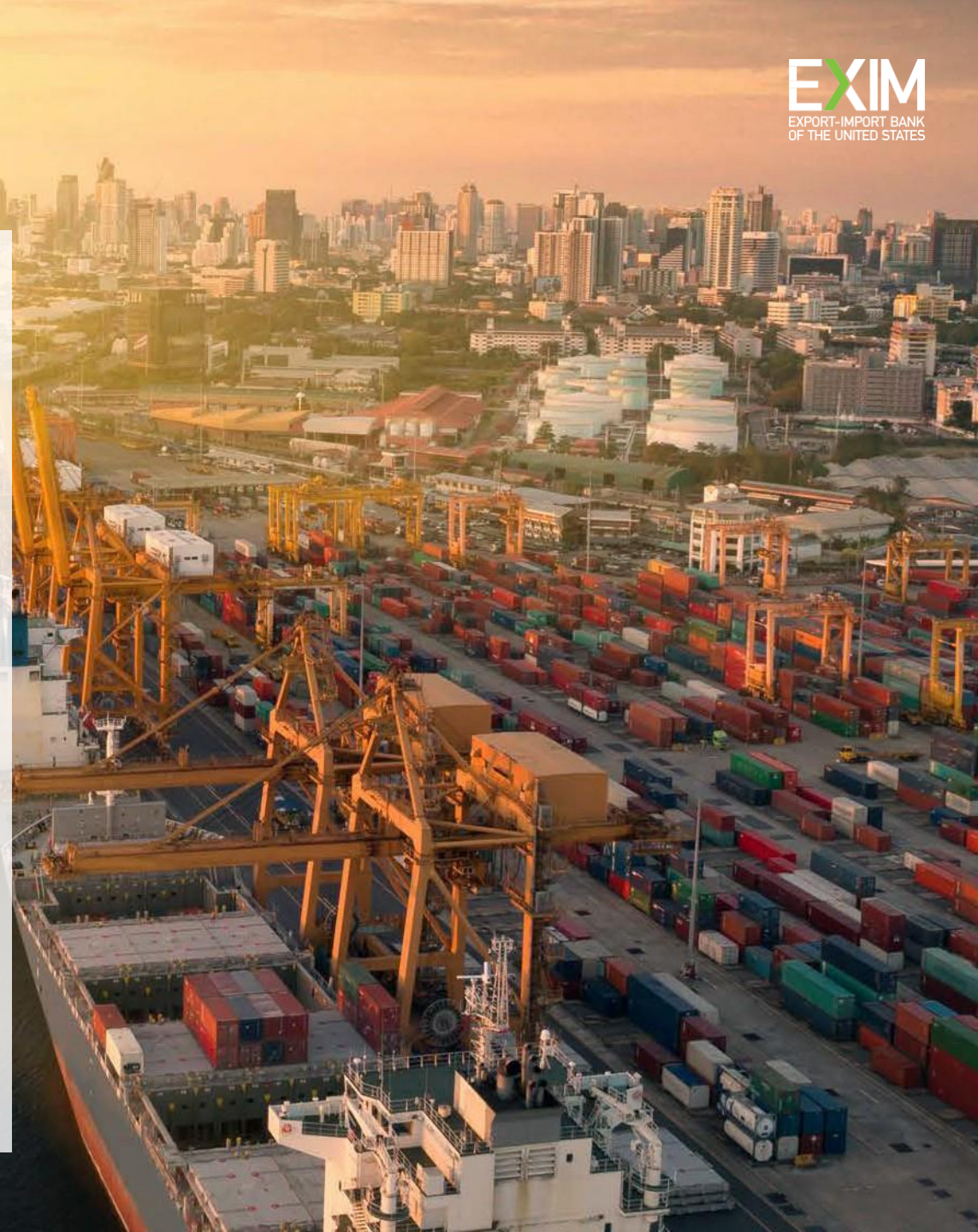


WHO IS EXIM?

EXIM is a U.S. federal government agency

Mission: maintain and create U.S. jobs by supporting the growth of U.S. exports

- › Established in 1934
- › Headquartered in Washington, D.C.
- › Regional Offices across the country
- › Supports all U.S.-based companies



Our Support

MAKES THE DIFFERENCE



Minimize risk



Level the playing field



Supplement commercial financing



Interactive Poll:
**WHAT ARE YOUR
EXPORT VOLUMES?**



EXPORT CHALLENGES



WILL YOU GET PAID?

- › EXIM's export credit insurance provides protection against foreign buyer nonpayment due to commercial and political risks.
- › EXIM can protect your export sales to a single buyer or multiple buyers.



BUYERS WANT CREDIT TERMS!

- › EXIM's export credit insurance enables your company to offer competitive "open account" terms instead of requiring your foreign buyers to pay cash-in-advance, use credit cards, or obtain letters of credit.
- › Insured foreign receivables may be assigned to a commercial lender and added into your company's borrowing base to accelerate cash flow.

EXPORT CHALLENGES



PRE-EXPORT CASH NEEDED!

- › An EXIM guaranteed credit line may provide the vital funds you need to fulfill export orders.
- › These funds may be used to manufacture or purchase U.S.-made finished products and raw materials, as well as to cover labor and overhead costs.
- › The funds may also be used to support standby letters of credit used as bid or performance bonds.



BUYERS WANT TERM FINANCING!

- › EXIM supports lenders which may provide your foreign buyers with financing at competitive interest rates on multi-year repayment terms.
- › Foreign buyers can buy U.S.-made capital goods and related services at U.S. interest rates and you (the exporter) can be cashed-out at 100% when you ship the goods.

How Our Products
SUPPORT YOU



Offer competitive credit terms to your foreign buyers and close more business while reducing the risk of nonpayment



Improve cash flow with pre-export working capital loan guarantees



Arrange up to 5-year financing at U.S. interest rates for foreign buyers of U.S. made capital equipment

We Are
**SMALL BUSINESS
FOCUSED**



~90% of EXIM transactions supported small business exporters



No company or transaction is too small



EXIM has supported sales of just a few thousand dollars



ELIGIBILITY REQUIREMENTS

EXPORTERS MUST:

- › Be in business at least 3 years (unless otherwise noted)
- › Have financial statements or tax returns
- › Have a DUNS number

IN ADDITION:

- › For Working Capital and Short-Term insurance, exported products and services must be 50-plus% U.S. content, including labor, excluding mark-up (cost basis)
- › For Medium-Term Insurance and Guarantees, exported products and services must be 85-plus% U.S. content, including labor, excluding mark-up (cost basis) for full support of the transaction

The World's Largest Kegeerator:

MAINE BEER BOX



Founded 2017



Maine Brewers Guild



- › 8 new-to-exporting breweries
- › Exporting to Iceland, Canada and the U.K.
- › Planning virtual beer tastings in Vietnam, Spain and France
- › EXIM protects companies against nonpayment

OUR PRODUCTS COVER THE SPECTRUM

**PRE-EXPORT
FINANCING**

**POST-EXPORT
FINANCING**



› Working Capital
Loan Guarantee

› Insurance
› Guarantees
› Direct Loans



WORKING CAPITAL LOAN GUARANTEE

A guarantee to a commercial lender that makes a loan to an exporter to purchase or manufacture U.S. goods for export

Loan proceeds may also be used to collateralize a stand-by letter of credit to be used as a performance bond (only 25% collateralization required)

- › Assists small and mid-size companies in obtaining working capital to produce or purchase U.S. goods and services for export
- › Provides a **90% guarantee** of repayment (principal and interest) on loans to exporters (**95% may be approved** on a case-by case basis, and for an additional fee)
- › May be set up as a “Transaction-Specific” or a “Revolving” line of credit
- › No minimum or maximum amounts
- › Loan supports advances made against export-related and potentially export-related inventory (including WIP) and foreign receivables:
 - › **Up to 75% advance rate on inventory, and up to 90% on foreign receivables**

WORKING CAPITAL LOAN GUARANTEE

- › **Asset-Based:** fully collateralized
- › **Personal Guarantees:** required of owner(s)
- › **Cost:** \$100 application fee (EXIM fees are paid by the lender but they may pass these off to the exporter)
- › **Delegated Lender Fees:** range from .25% to .90%, depending on the loan amount
- › **Non-Delegated Lender Fees:** 1.75% or a reduced fee of 1.25% if the export sales are structured under L/Cs and/or secured by export credit insurance; exporter's financial ratios are within its industry median
- › **Interest Rate:** determined by the lender



WORKING CAPITAL LOAN GUARANTEE

<i>Export Inventory</i>	<i>Value</i>	<i>Without EXIM Guarantee</i>		<i>With EXIM Guarantee</i>	
		<i>Advance Rate</i>	<i>Borrowing Base</i>	<i>Advance Rate</i>	<i>Borrowing Base</i>
Raw Materials	\$200,000	20%	\$40,000	75%	\$150,000
Work-in-Process	\$200,000	0%	\$0	75%	\$150,000
Finished Goods	\$600,000	50%	\$300,000	75%	\$450,000
<i>Export Accounts Receivable</i>					
On Open Account	\$400,000	0%	\$0	90%	\$360,000
By Letter of Credit	\$600,000	70%	\$420,000	90%	\$540,000
Total	\$2,000,000		\$760,000		\$1,650,000

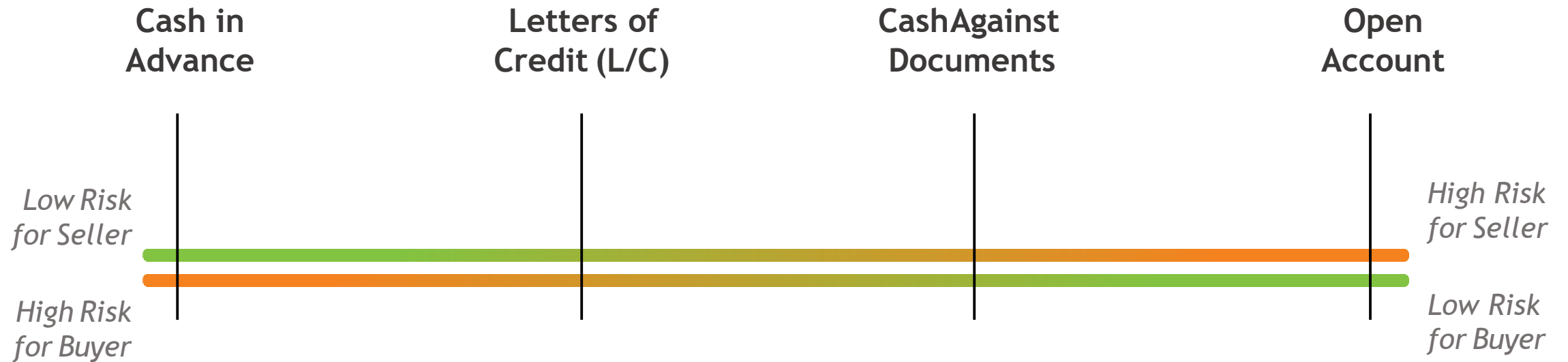
Interactive Poll:

**WHAT ARE THE TERMS OF PAYMENT
YOU ARE CURRENTLY USING?**



Sales Terms:

SPECTRUM OF RISK





EXPORT CREDIT INSURANCE

An insurance policy covering receivables generated from export sales that protects against nonpayment by foreign buyers

Sales Tool:

- › Be competitive by offering open account credit terms to foreign buyers

Risk Prevention:

- › Protect against nonpayment by foreign buyers due to commercial risks and political risks

Generate Cash Flow:

- › Accounts receivable from export sales may be used as collateral to obtain immediate cash

Policies can cover a single buyer, some of your foreign buyers, or your entire export portfolio

RISKS COVERED

Commercial:

- ✓ Insolvency
- ✓ Bankruptcy
- ✓ Protracted default

Political:

- ✓ War, revolution, insurrection
- ✓ Currency transfer
- ✓ Cancellation of import or export license

EXIM Solution:

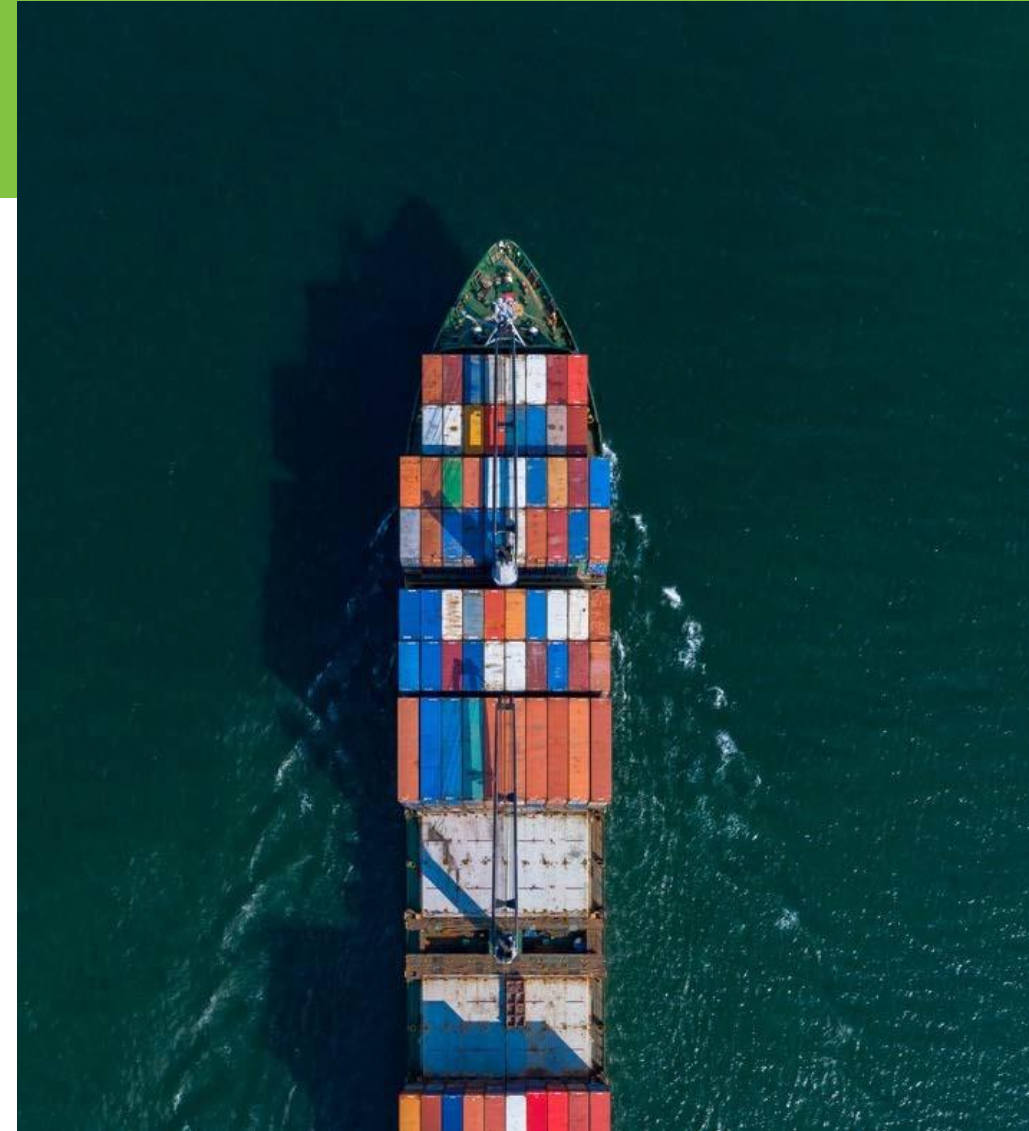
EXPORT CREDIT INSURANCE



SHORT-TERM EXPORT CREDIT INSURANCE

COVERAGE PARAMETERS:

- › Up to 180 days, exceptionally 1 year
- › 90%, 95%, 98% or 100% coverage, depending on policy selected, products exported, and buyer classification
- › Insures both commercial and political risks



SHORT-TERM EXPORT CREDIT INSURANCE

FOR EXPORTERS:

> Multi-Buyer

(entire export portfolio)

95% coverage, no deductible (for “small business” policies only), pay-as-you-go, some buyer approval authority may be given to exporter

> Multi-Buyer Select Risk

(a negotiated portfolio)

95% coverage, first-loss deductible, pay-as-you-go, some buyer approval authority may be given to exporter

> Single Buyer

(single or multiple shipments to one buyer)

90% coverage, no deductible

98% coverage may be available for bulk, unprocessed agricultural commodities

SHORT-TERM EXPORT CREDIT INSURANCE

Policies specifically for “small” businesses

(exporter meets the SBA definition and has less than \$10 million in export credit sales on average over the past 3 years):

› Express Insurance

(a Multi-Buyer policy)

95 % cover, no deductible, pay-as-you-go, EXIM Bank obtains and reviews all credit info on buyers

› Small Business Multi-Buyer

95 % cover, no deductible, pay-as-you-go, some buyer approval authority may be given to exporter

SMALL BUSINESS EXPRESS INSURANCE

In addition to “small business” eligibility definition:

- › 10 buyers or fewer (on credit terms)
- › Not currently insured by EXIM Bank or any private sector insurer for foreign accounts receivable
- › Exporting on credit terms less than 5 years



SMALL BUSINESS EXPRESS INSURANCE

KEY FEATURES:

- › 95% coverage for non-payment due to commercial and political risks
- › Insuring existing buyers is optional
- › No deductible! No application fee!
- › EXIM Bank pre-approves all credit limits and obtains credit information on your buyers at no additional cost to you
- › 5 business day buyer approval turnaround on credit limits of \$300,000 or less (longer turnaround on higher amounts)
- › No minimum sales volume required; pay only on the gross invoice value of what you ship, when you ship!



SMALL BUSINESS EXPRESS INSURANCE

RATES:

Rates are charged according to the length of the credit term you extend and the buyer type. For example:

- › \$25,000 sale to a foreign buyer on 60-day terms
- › Premium is \$0.65 per \$100 of the gross invoice value
- › Premium of \$162.50 paid the last day of the month following the month of shipment

AND... if you use insurance with a working capital guarantee from either EXIM Bank OR the SBA, you get a 25% rate reduction on your premiums!



SMALL BUSINESS MULTI-BUYER POLICY

- › Coverage: 95% coverage for non-payment due to commercial and political risks
- › Exporter must qualify as “small business” by SBA definition, *and* export credit sales must average \$10 million or less on average over the most recent 3 years
- › In same line of business for at least 3 years (No material adverse issues)
- › Must insure ALL export credit sales (L/C, CIA, CAD, SDDP, and Canadian sales may be excluded)
- › No deductible, no application fee, pay-as-you-go.
- › Buyer credit limits endorsed to policy (requires minimal pre-approvals by EXIM Bank)



SMALL BUSINESS MULTI-BUYER PREMIUM RATES*

Terms	Sovereign	Financial Institutions	Private
Sight L/Cs	\$0.03	\$0.03	n/a
1–60 days	\$0.16	\$0.20	\$0.55
61–120 days	\$0.27	\$0.33	\$0.90
121–180 days	\$0.35	\$0.43	\$1.15
181–270 days	\$0.43	\$0.54	\$1.45
271–360 days	\$0.53	\$0.65	\$1.77

➤ Per \$100 of the gross invoice amount

25% rate reduction if used with EXIM Bank / SBA Working Capital Guarantee product!

*On September 1, 2020

STANDARD BUSINESS MULTI-BUYER POLICY

Generally for experienced exporters

Must insure ALL export credit sales (L/C, CIA, CAD, SDDP and Canadian sales may be excluded)

- › On a case-by-case basis, exporter may request to exclude certain countries and/or buyers (Multi-Buyer Select Risk policy)

Coverage:

- › 95% for both commercial and political risks
- › First-loss deductible applies
- › No minimum premium, pay-as-you-go
- › Buyer credit limits endorsed to policy (requires minimal pre-approvals by EXIM)

SHORT-TERM SINGLE BUYER INSURANCE POLICY

Insures single or multiple shipments to **one** buyer

- › 90% coverage, both commercial and political
- › 98% for bulk agricultural transactions
- › 95% for letter of credit transaction
- › Maximum policy period: 1 year
- › No deductible, no application fee
- › Premium based on country, type of buyer, and length of credit term extended (see rates on www.exim.gov)
- › Charged on sales volume (not credit limit)
- › Pay-as-you-go premiums
- › Reduced \$500 minimum premium for “small business” exporters (\$2500 minimum premium for non-small business)

MEDIUM-TERM FINANCING

Generally used for buyer financing of capital equipment to creditworthy foreign buyers

- › 85% financed, 15% cash down payment by the buyer (may be financed by a lender)
- › Repayment up to 5 years, exceptionally 7 years
- › Amounts of \$25 million or less

Financing can be accomplished through the following EXIM Bank products:

- › Lender guarantees
- › Credit Insurance



LONG-TERM FINANCING

Generally used for buyer financing of very large items (aircraft), and project finance transactions

- › Over 7-year repayment or over \$25 million
- › 15% down payment: 85% financed amount

Financing can be accomplished through the following EXIM Bank products:

- › Lender loans
- › Direct loans



A FEW RESTRICTIONS

An Exporter Must:



Have no Military or Defense-related products or obligors (*exceptions apply*)



Sell in one of over 180 countries where EXIM provides cover



Ship from a U.S. port



EXIM IS OPEN AROUND THE WORLD

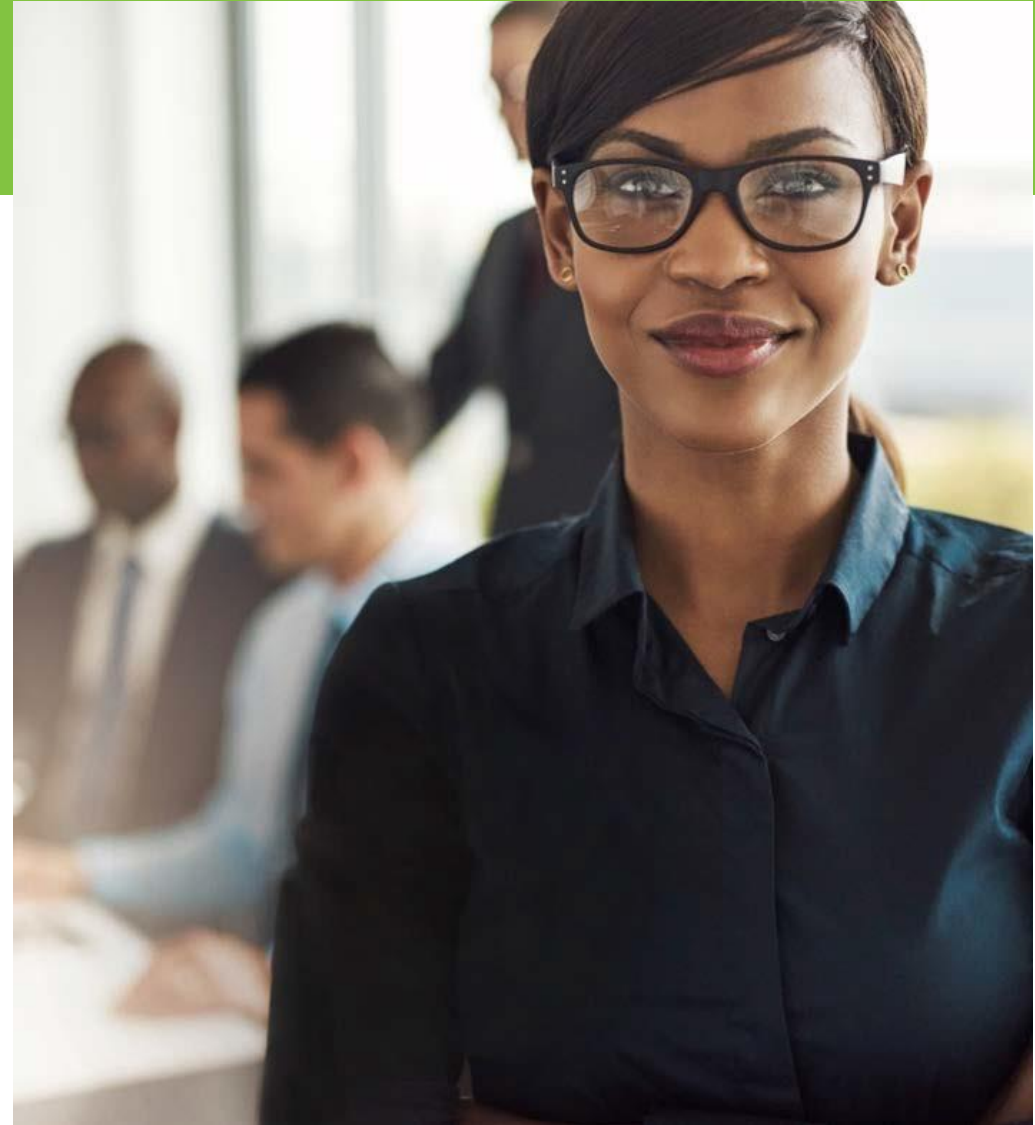


EXIM Bank conducts business in over 180 countries.



Check the Country Limitation Schedule (CLS) at www.exim.gov

Y means support is available



CONTACT A REGIONAL OFFICE

Eastern Region:

📍 Miami	305.526.7436
📍 New York	212.809.2650
📍 Atlanta	404.815.1497

Central Region:

📍 Chicago	312.353.8093
📍 Houston	281.721.0470
📍 Minneapolis	612.348.1213
📍 Dallas	214.551.4959
📍 Detroit	313.226.3067

Western Region:

📍 Seattle	206.728.2264
📍 San Diego	858.467.7035
📍 Orange County	949.660.1341

**QUESTIONS FROM
THE AUDIENCE?**



Interactive Poll:

**WOULD YOU LIKE
TO BE CONTACTED?**





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EXIM EXPORT-IMPORT BANK
OF THE UNITED STATES

