

GEV Wind Power keeps the blades turning with second invoice finance deal from Siemens Financial Services (SFS)

Global wind turbine repair and maintenance provider, GEV Wind Power has returned to Siemens Financial Services (SFS) for its invoice finance facility.

GEV previously enjoyed an invoice finance facility from SFS prior to its investment by a new equity partner at the start of 2019. Under the new ownership the company was unable to carry forward the agreement. Instead, the new banking arrangement relied on a revolving credit facility, but it soon became apparent that the system was less suitable than an invoice finance arrangement.

By using invoice finance, when a company invoices their customer, up to 90% of the approved invoice total is immediately advanced by the finance provider. The remaining 10% is paid once their customer settles the balance. This provides the company with essential working capital so it can benefit from improved cash flow without having to wait for bills to be settled.

“At the beginning of 2020 we had already started to re-engage SFS to see if a new invoice finance facility was possible,” explains Steve Wilcockson, Global Head of Finance at GEV Wind Power. “I can’t emphasise enough how important invoice finance is to unlock funding, to grow the business. Working capital is everything for us and with the facility, we can pay suppliers faster and complete more business without waiting on invoice payments. It’s as simple as that.”

When GEV sought out a new facility there was no question about who to contact. “The team at SFS understands our market and how renewables work. Their industry expertise sets them apart,” continues Steve. “We didn’t even entertain tenders from other providers. SFS is a reliable name, we knew the financier wouldn’t retract from the marketplace and the team came back with comparable terms to our previous arrangement.”

SFS facilitated a smooth transition for GEV, deploying the same team and auditor as for the previous arrangement. On this occasion the entire transaction and audit was performed remotely due to its timing during lockdown.

“The new arrangement completely reverses the position we were in. SFS looked at our whole business, not just the numbers,” says Steve. “What’s more, we know by the nature of this facility and the team’s expert understanding of the market that if we start generating the revenue SFS are always willing to discuss expanding the provision. It feels like an entirely collaborative partnership.”

Patrick Madden, Invoice Finance Head of Sales, Siemens Financial Services, adds: “We’re delighted to once again be able to offer GEV a flexible invoice finance arrangement that helps support business growth. While the situation has changed dramatically since our last provision, we remain committed to the market and look forward to building on the strong relationship we’ve developed with GEV.”