

B. Riley Purchases Additional Portfolio of Performing Receivables from Leading Home-Furnishing Retailer, W.S. Badcock Corporation

Expands portfolio of performing receivables purchased in connection with FRG's acquisition of Badcock

LOS ANGELES, Oct. 18, 2022 /[PRNewswire](#)/ -- B. Riley Financial, Inc. (NASDAQ: RILY) ("B. Riley") today announced that its subsidiary has purchased a second portfolio of performing receivables from W.S. Badcock Corporation ("Badcock"), one of the largest home-furnishing retailers in the country. Badcock is a subsidiary of Franchise Group, Inc. (NASDAQ: FRG) ("FRG"), a leading franchise operator.

B. Riley previously acquired \$535 million of performing Badcock receivables for approximately \$400 million in connection with FRG's acquisition of Badcock in December 2021.

Bryant Riley, Chairman and Co-Chief Executive Officer of B. Riley Financial, said: "This purchase represents our continued ability to invest in opportunities that can mutually benefit key relationships of our platform like FRG, and generate strong returns for our shareholders."

Under terms of the agreement, an SPV majority owned by B. Riley has purchased approximately \$198 million of Badcock's performing receivables for an aggregate purchase price of approximately \$168 million. The SPV has the option to purchase up to an additional \$75 million of receivables over the six months post-closing, subject to certain limitations. The SPV financed the transaction using a \$148 million senior secured term loan credit facility from Pathlight Capital LP, which included a limited guaranty of \$15 million from B. Riley. Badcock will continue to service and administer the purchased receivables.

Badcock is a retailer of furniture, appliances, bedding, electronics, home office equipment, accessories, and seasonal items that offers multiple flexible payment and credit solutions to its customers. Badcock operates online and in over 380 stores in eight states across the Southeast US.

B. Riley companies provided financial advisory services to support an expedited and efficient closing of the transaction. Choate Hall & Stewart LLP served as legal counsel to B. Riley Financial. Willkie Farr & Gallagher LLP served as legal counsel to FRG.

About B. Riley Financial

B. Riley Financial is a diversified financial services platform that delivers tailored solutions to meet the strategic, operational, and capital needs of its clients and partners. B. Riley leverages cross-platform expertise to provide clients with full service, collaborative solutions at every stage of the business life cycle. Through its affiliated subsidiaries, B. Riley provides end-to-end, collaborative financial services across investment banking, institutional brokerage, private wealth and investment management, financial consulting, corporate restructuring, operations management, risk and compliance, due diligence, forensic accounting, litigation support, appraisal and valuation, auction and liquidation services. B. Riley opportunistically invests to benefit its shareholders, and certain registered affiliates originate and underwrite senior secured loans for asset-rich companies. B. Riley refers to B. Riley Financial, Inc. and/or one or more of its subsidiaries or affiliates. For more information, please visit www.brileyfin.com.

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