

SVB Hardware-as-a-Service (HaaS) Lending

Financing designed for capital-intensive business models

SVB's HaaS financing solution provides necessary capital to scale your business by financing hardware assets required to fulfill customer contracts.

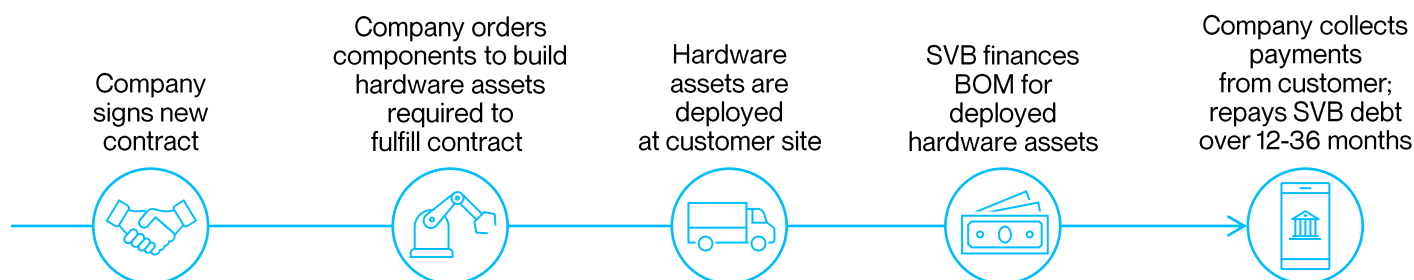
Financing for high-growth companies that provide physical assets on a subscription or pay-per-use basis.

SVB finances the bill of materials required to fulfill committed customer contracts. Assets generally become eligible for financing upon deployment, but can be financed earlier, subject to SVB underwriting.

Key Benefits

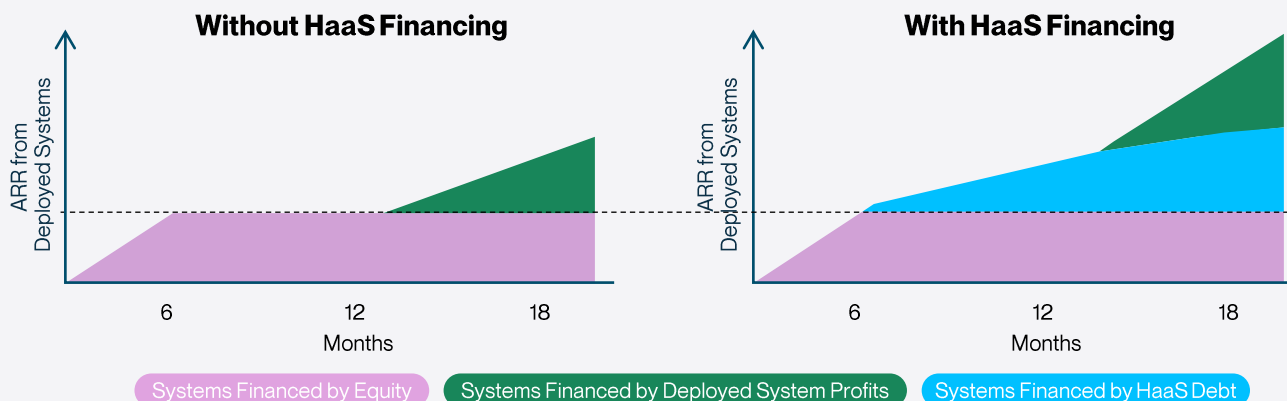
- Financing solution scales with you to support your growing capital needs.
- Larger loan amounts and competitive pricing compared to other debt solutions.
- Minimize equity dilution by utilizing debt to finance capital expenditures.
- Convert backlog into live ARR by reducing capital constraints.

How HaaS Lending Works



Accelerate your growth by deploying more systems

Remove capital constraints and get more systems out to customers with HaaS financing. SVB's HaaS loans provide non-dilutive capital to cover the cost of hard assets so companies can meet customer demand and grow ARR faster.



SVB Hardware-as-a-Service (HaaS) Lending

The Leader in HaaS Lending¹

A first-mover in financing HaaS business models, SVB has deployed significant capital into this emerging space, and is uniquely positioned to provide powerful insights such as the [SVB State of HaaS](#) report.

70

Total deals closed

\$550M+

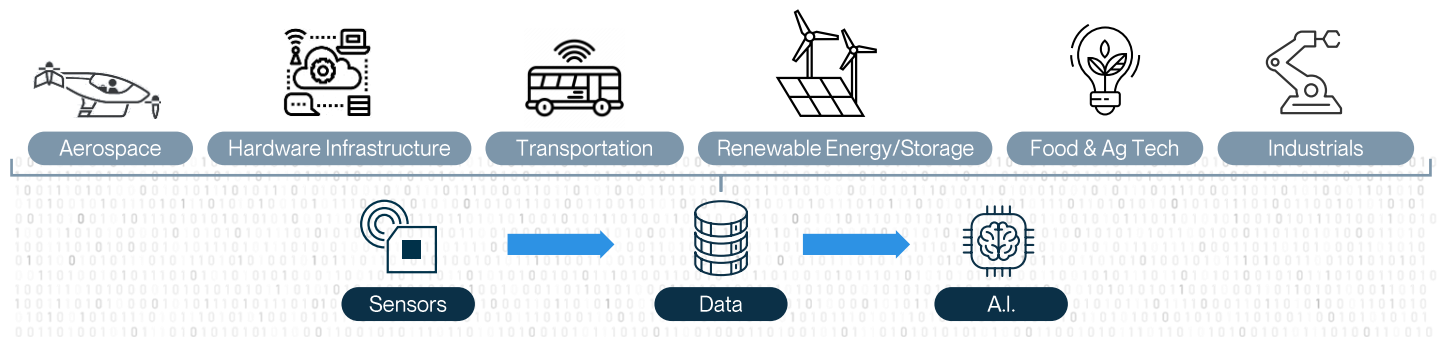
Capital commitments

\$500K-\$50M

Deal size range

Industries Leveraging HaaS Financing

Frontier Tech, Climate Tech and Sustainability



Metrics That Matter

First-of-a-kind benchmarks for HaaS companies

MACHINE METRICS	Machine Churn	Gross Payback Period	System Lifetime Value BOM Ratio (SLV to BOM)	CapEx Share of Net Burn	COMPANY METRICS
	Contract Value (CV) to Upfront Cost Ratio	System Operating Margin	Deployed ARR (DARR)	Deployment Multiple	

What makes a HaaS contract financeable?

When structuring HaaS contracts with customers, keep in mind the following factors to optimize financing potential:

- Retain **title** on assets (can be deployed to a **specific customer** OR deployed in **fleets** servicing multiple customers)
- Annual or multiyear contracts with **creditworthy** counterparties
- High percentage of **guaranteed minimum** revenue (vs. usage-based revenue)
- No cancellation for **convenience**
- Contract tenor **exceeds** hard asset payback period
- Hard asset payback period less than **2 years**

Contact [Chelsea Hakso](#) or your SVB relationship manager to learn more.

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¹Silicon Valley Bank data as of 12/31/2023
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