



Keg Leasing 101

WHAT TO KNOW, LOOK FOR,
ASK, AND AVOID

BROUGHT TO YOU BY G4 KEGS

THE BASICS OF KEG LEASING

The right kegs in the right quantities are crucial to a craft beverage businesses success. You don't want to skimp on quantity or quality when it comes to kegs. After all, they are holding your most important asset.

But, kegs are a big investment and you may need an alternative to buying outright to get the kegs you need. Keg leasing is a great alternative, but wading through all the options, lingo, and terms can be daunting. That's why G4 Kegs is offering Keg Leasing 101. You'll learn what keg leasing is, if it's right for you, the costs associated with leasing, and what to consider before signing a deal.

Don't know how many kegs you need? [Find out with our free G4 Kegs Guide.](#)

What is keg leasing?

Simply, keg leasing is breaking up the total cost of a keg purchase (plus interest) into monthly payments over the course of 24-60 months. Most leasing programs are really lease-to-own programs, where you will own the kegs at the end of the lease terms or have the option to. Your monthly payments are put towards purchasing the kegs.

There's many different kinds of keg programs out there– leasing, rental, pay-per-fill, rent to own. It's easy to get them mixed up and misunderstand exactly what they entail. BEWARE: some of these programs are known to have unfavorable terms and constricting, long-term contracts. In many of these programs you will end up paying for the same keg many times over, without ever getting closer to actually owning it. G4 Kegs always recommends ownership based leasing programs because owning your kegs is a great investment.

Why is it beneficial?

No Skimping Required

You can afford the quality and quantity of kegs you need without a huge upfront cost. Get a boatload of kegs without a boatload of cash.

Tax Benefits

You can depreciate the asset (the kegs) just as you would if you had paid cash for them.

Own Your Fleet

You own the kegs at the end of the lease. Owning kegs is a great investment as they easily pay for themselves and can last 30+ years.

What does it cost?

If leasing G4 Kegs, you can expect to pay between **\$2-3.50 per keg, per month**. The total cost to lease will vary depending on:

- **Number and type of kegs in fleet.** ½ BBLs are more expensive than 1/6 BBLs so you will pay more for them per month. You may get a volume discount if leasing a large quantity of kegs. Custom branding (embossing, silk screening, wraps, etc.) are added costs that can be factored into the monthly payment or paid up front, depending on the leasing program. Good leasing programs will embed decoration and shipping costs, interest free, into your monthly payments.
- **Financial History and Business Maturity.** Some leasing companies will hike interest rates for those with poor credit. G4 Keg's leasing partner offers a fixed program, which means your credit *won't* affect your interest rate or monthly payments. However, mature businesses (2+ years old) may be able to receive preferable deals or rates.
- **Lease term options.** Short lease terms mean larger monthly payments. Longer lease terms mean smaller monthly payments, but more money spent on interest.

When is it a good option?

YOU SHOULD LEASE KEGS IF...

- You need a large number of kegs at once, but don't have the cash to pay for them.
- You have the cash to pay for said large number of kegs, but it would be better spent elsewhere (i.e. operational expenses, emergency fund, ingredients).
- Your business is growing or expanding. Leasing frees up cash needed to grow and maximize cash flow.

YOU SHOULD BUY OUTRIGHT IF...

- You need less than \$2,500 worth of kegs. Leasing companies typically won't fund deals this small.
- You have plenty of cash. If you don't need that cash for something else, it's a good idea to use it on kegs.

What should I look for?

- ✓ **The shortest-term lease with a monthly payment you are comfortable with.** Your total out of pocket expense will usually be less with shorter-term leases, so they are the best option if you can afford the higher monthly payment.
- ✓ **Payments that go towards ownership.** You want to own the kegs at the end of the lease. Your monthly payments should be going towards ownership of the kegs. Look for a program that has no prepayment penalty and makes it easy to payoff/buyout the kegs before the lease ends.
- ✓ **Kegs that pay for themselves.** Your kegs should pay their own way. The revenue generated by the kegs should easily cover your monthly lease payment.

What should I avoid?

- ✗ **Big deposits.** Some leasing companies require money down, especially for startups or those with poor credit, but any deposit or upfront cost should be less than 20%.
- ✗ **Bad buyout terms.** Some rental and lease programs require huge balloon payments or fees if you want to buyout the kegs or get out of the contract before the terms are up. Your payments should always count towards owning the kegs and you should never have to pay prepayment penalties. If not, you could end up paying for the same keg a few times over.
- ✗ **Long lease and high keg loss rate.** If you have a high keg loss rate and a long lease, you could end up paying for kegs you don't have anymore. 5-7% is a normal keg loss rate. If yours is substantially higher than this, a shorter lease is a better choice.
- ✗ **Super high interest rates.** Some leasing companies charge very high interest rates to startups and those with poor credit. Our leasing partner offers a fixed rate program to businesses pretty much anywhere on the credit spectrum.

There's a lot to consider when determining the right way to build your keg fleet – but keg leasing can be a great option to get the kegs you need without compromising cash flow.

CONGRATULATIONS! YOU PASSED KEG LEASING 101

These are the basics of keg leasing, but every business is unique. Get in touch with us at hello@g4kegs.com to find out what you qualify for and get a free leasing quote. Already in a bad leasing contract? We can help you get out and into something better.



Navigating equipment purchases and leasing can sometimes seem daunting. G4 Kegs is here to guide you through the process and help you get the best deal. Owning your own keg fleet is always a good investment. And lucky for G4 Kegs clients, our kegs are built to last.

ABOUT G4 KEGS

Our industry is driven more by passion than profit. We're out to empower and accelerate that passion by giving it a vessel...literally.

Whatever your craft (beer, wine, soda, coffee, kombucha, spirits, mead, cider), G4 shares your enthusiasm for quality products and meaningful partnerships. What we do goes far beyond stainless steel containers. By elevating our own role as an industry leader and trusted keg consultant, we aim to create a rising tide of success across all parties.

We're headquartered in Tualatin, Oregon and have warehouses in Virginia Beach, VA, Oklahoma City, OK, and St. Petersburg, FL. As a small business doing big things, we understand what other small businesses need to succeed. We're uncompromising when it comes to an elevated customer experience. The result: quality kegs delivered to your timeline and budget.