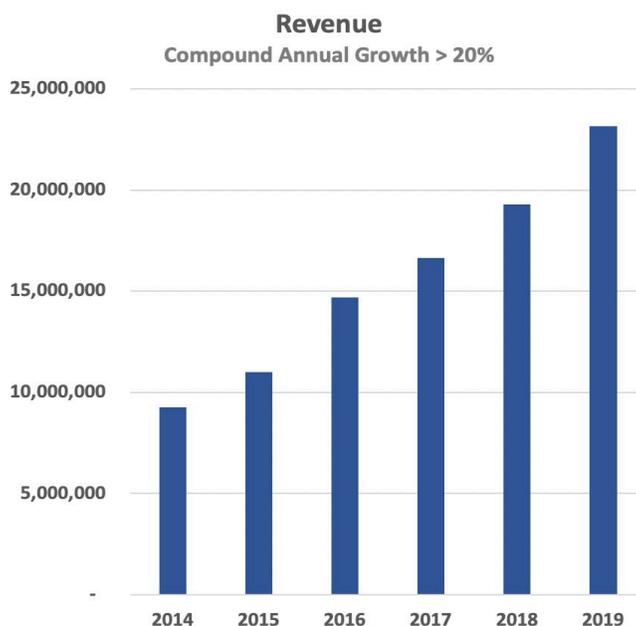


100+ year old manufacturer with high repeat business in fragmented industry

This 100+ year-old niche custom manufacturer is one of the larger companies in its highly-fragmented industry. Over the years the business has gone through a few internal ownership changes. One of the current owners was a long-term management member of the company when he and his co-owner acquired the business in 2010. The business has enjoyed impressive growth, for example, from 2014 to 2019 the compound annual revenue growth rate has been more than 20%. The Company has a diverse nationwide customer base, and many customers have provided years of repeat business.

The Company's customers recognize the business' brand represents timeliness, quality, innovation, and service, and with 10+ decades of goodwill created with customers and the community at large, its brand acts as a durable competitive advantage in attracting customers, employees, vendors, and acquisition opportunities.

However, the business is now reaching a size where it would benefit from a new owner with greater management skills to take it to the next level, and the sellers would like a path to retirement after a long career. The owner who has been working with the company for four decades has deep expertise and knowledge - particularly on the manufacturing side of the business. He is willing to stay on as an employee



or consultant for 2-3 years to ensure a smooth transition and transfer of knowledge if that's of interest to an acquirer.

This business provides a rare opportunity to acquire a well-performing industry leader in a highly fragmented industry. Specifics on what the business manufacturers will be disclosed to qualified buyers who complete, sign, and return the buyer registration and confidentiality agreement.

Listing Number	1000013305	12 Months
Type of Business	Niche manufacturer & Service Co.	9/30/2020
Location	Portland, Oregon	Revenue
Year Founded	1911	\$23,599,882
FT Employees*	125	Gross Profit
PT Employees*	0	\$11,443,927
Why Selling	The business' size and complexity is	EBITDA
Price	\$11,500,000	\$2,424,320
Seller Financing	Possible depending on buyer, price, and deal terms	
Seller Financing Details	A small seller note for qualified buyers	

* Not including single primary owner

Benefits of This Business

A brand based on 100+ years of customer goodwill provides a durable competitive advantage

The company's brand, reflecting goodwill created by delivering quality products and service over 100+ years, can't be replicated by younger companies. This provides a durable competitive advantage. Prospective customers can easily see examples of the business' products and get references / recommendations from a long-list of reputable customers.

The business competes on quality, innovation, and timeliness, not price

The business has focused on selling value based on quality, innovation, and timeliness rather than price. Prices are the same or higher than competitors because of the value delivered. These are more sustainable differentiators, and make it less subject to price competition.

50%-67% faster order fulfillment turn time provides a competitive advantage

This company typically has a 50%-67% faster fulfillment time (4-6 weeks), which is a strong differentiator / competitive advantage over the more common 12-week turn-time in the industry.

More licensed staff than any competitor in its region

The business employs more licensed staff than any competitor in the Pacific Northwest. It is able to attract staff through its reputation for quality, interesting projects to work on, strong pay, and good benefits.

Repeat business provides confidence of future performance

The company has a large amount of repeat business from long-term clients. In addition, 3-5% of revenue is true recurring revenue in the form of leases and maintenance contracts.

Nationwide geographic client diversification limits risk associated with regional economy

The company has attracted a diverse national client base, with about 65% of business coming from outside the Pacific Northwest (and this business is dispersed throughout the USA and Canada). This has been driven primarily by the quality of the company's products, innovative techniques, creative problem solving, superior customer service, rapid production time, and being able to effectively serve a national client base.

The business' size, longevity, and acquisitive nature in a fragmented industry helps it grow

Given its highly fragmented industry, this business is considered one of the larger businesses of its type nationwide. When combined with its 100+ year history and reputation, it is easier to attract prospective employees, and smaller companies who want to sell often approach this business which helps it not only grow its client base, but also provides another channel for securing industry-trained staff.

Opportunities

Continue growing through acquisition

Given that the Company is one of the larger businesses in its niche, when small businesses in the industry need or want to sell, this Company is one they think of as a potential acquirer. The Company acquired seven such small financially distressed companies in its industry in recent years in this manner. As one of the largest and best-regarded businesses in the Pacific Northwest in this fragmented industry, doing a roll-up by continuing to acquire small companies in this niche may be a good growth strategy.

Increase sales and marketing to verticals in which it already has a strong presence

The Company's products are sold to customers nationwide. It has a few verticals that comprise more of its customers, so more marketing could be done that targets companies within the industries in which it already does business.

Increase recurring revenue (lease and maintenance revenue)

The business set up a leasing program in an effort to make its products more affordable to customers. While most of its customers opt to just buy its products (less than 5% comes from leasing), there might be an opportunity to target businesses and industries that are more sensitive to conserving cash - for example, businesses that are cash flow challenged due to rapid growth. Perhaps cleaning and maintenance contracts can also be more aggressively promoted to create not only recurring revenue, but also greater transparency on when to initiate product replacement marketing.

Upgrade manufacturing equipment

Upgrading equipment may result in higher productivity and greater efficiency, thus potentially increasing throughput to allow for greater growth in the same space, as well as increasing profitability.

Buy a company with greater manufacturing capacity in a lower labor-cost area

To continue high growth, more manufacturing capacity is going to be needed. Given that customers are nationwide it may not be necessary to have such a facility be in close proximity to the company's Portland headquarters. In fact, opening a facility in another strategically-selected state may lead to lower labor and freight costs if materially closer to some customers.

Financial

Year	2015	2016	2017	2018	2019	12 Mos Ending 9/30/20
Sales	\$10,989,669	\$14,691,555	\$16,644,473	\$19,274,602	\$23,155,324	\$23,599,882
Cost of Goods Sold	(\$7,157,747)	(\$9,431,575)	(\$10,832,155)	(\$12,306,444)	(\$16,154,866)	(\$12,155,955)
Gross Profit	\$3,831,922	\$5,259,980	\$5,812,318	\$6,968,158	\$7,000,458	\$11,443,927
Depreciation	(\$14,980)	(\$14,982)	(\$167,324)	(\$262,781)	(\$21,510)	\$0
Amortization	(\$13,334)	\$0	(\$9,976)	(\$291)	(\$5,928)	\$0
Sales General & Admin	(\$2,770,310)	(\$3,551,409)	(\$3,864,718)	(\$4,956,455)	(\$5,811,679)	(\$9,019,607)
Net Operating Profit	\$1,033,298	\$1,693,589	\$1,770,300	\$1,748,631	\$1,161,341	\$2,424,320
Interest Expense	(\$63,357)	(\$32,710)	(\$71,240)	(\$49,807)	(\$72,050)	(\$96,491)
Interest Income	\$5,960	\$0	\$0	\$0	\$0	\$0
Other Financial Income	\$0	\$0	\$0	\$0	\$0	(\$225)
Profit After Financial Items	\$975,901	\$1,660,879	\$1,699,060	\$1,698,824	\$1,089,291	\$2,327,604
Exceptional Expense	\$0	\$0	\$0	\$0	\$0	\$0
Profit Before Tax	\$975,901	\$1,660,879	\$1,699,060	\$1,698,824	\$1,089,291	\$2,327,604
Tax	\$0	\$0	\$0	\$0	\$0	\$0
Net Profit After Tax (NPAT)	\$975,901	\$1,660,879	\$1,699,060	\$1,698,824	\$1,089,291	\$2,327,604
EBITDA	\$1,061,612	\$1,708,571	\$1,947,600	\$2,011,703	\$1,188,779	\$2,424,320
Capital Expenditures						\$0
Estimated Fed & State Tax	\$0	\$0	\$0	\$0	\$0	\$0
Operating Free Cash Flow	\$1,061,612	\$1,708,571	\$1,947,600	\$2,011,703	\$1,188,779	\$2,424,320
EBITDA	\$1,061,612	\$1,708,571	\$1,947,600	\$2,011,703	\$1,188,779	\$2,424,320
Market Rate of Owner Salary	\$123,030	\$123,030	\$123,030	\$123,030	\$123,030	\$123,032
Seller Discretion. Earnings	\$1,184,642	\$1,831,601	\$2,070,630	\$2,134,733	\$1,311,809	\$2,547,351

Any financial or operating information relating to the company was prepared by, or from figures, documentation and information supplied by the Seller. Codiligent LLC, its principals, and employees can not guarantee the accuracy, completeness, quality, or reliability of information, financial data, or assumptions provided. A buyer should not rely on Codiligent LLC, its principals, or employees for any investigation, interpretation, or opinion as to the accuracy, completeness, quality, or reliability of said information. A buyer should conduct its own independent investigation and evaluation of this business opportunity, ascertain the accuracy, quality, reliability, and completeness of information provided, and assumptions used, and develop and rely on independently developed projections. Codiligent LLC, its principals, and employees shall neither be responsible for the accuracy, completeness, quality, or reliability of information, financial data, assumptions used, or projections provided, nor shall it be responsible for Buyer relying on said information and data.

Market Comparable Value

		Multiple	Value Estimate	Value Adjusted For Deal Structure*	Weighting	Weighted Value
Revenue	\$23,599,882	1.000	\$23,599,882	\$22,702,071	2%	\$454,041
Gross Profit	\$11,443,927	2.030	\$23,231,172	\$22,333,361	3%	\$670,001
SDE	\$2,547,351	4.600	\$11,717,816	\$10,820,005	30%	\$3,246,002
EBITDA	\$2,424,320	5.220	\$12,654,949	\$11,757,138	65%	\$7,642,140
				Total weighed value		\$12,012,184

* Deal Structure Adjustments (as of 9/30/20)

Cash & Deposits will be retained by Seller	\$0
Marketable Securities will be retained by Seller	\$0
Inventory will transfer to Buyer	\$3,859,269
Some Accounts Receivables will transfer to Buyer	\$500,000
	\$0
Real Property is N/A	\$0
PrePaid Expenses will be Seller's property	\$0
Current Liabilities are Buyer's Obligation	(\$5,257,080)
Total Deal Structure Adjustments	(\$897,811)

BUYER REGISTRATION FOR CODILIGENT LISTING #1000013305

Thank you for inquiring about Codiligent listing #1000013305.

Confidentiality in this transaction is of utmost importance. A more comprehensive package of confidential information is available to qualified buyers who complete and submit the following forms to Codiligent LLC. You are welcome to submit an alternate certified personal financial statement in place of using the provided form.

Please submit these forms by email: e@codiligent.com or Fax: 888-324-5888

Name:	<input type="text"/>	Company:	<input type="text"/>
Email:	<input type="text"/>	Address:	<input type="text"/>
Phone:	<input type="text"/>	City, State, Zip:	<input type="text"/>
Mobile Phone:	<input type="text"/>	Website:	<input type="text"/>

Are you an owner, director, shareholder, manager, employee, advisor, or consultant to any other businesses in this business' industry? YES or NO (please circle one)

If you answered "Yes" to the last question, name the business(es) and describe your affiliation:

Please describe your career background in 2-3 sentences:

What's the source of your down payment:

What is the minimum average annual return on equity that you require? %

What are your top acquisition criteria?

1	<input type="text"/>
2	<input type="text"/>
3	<input type="text"/>
4	<input type="text"/>

What is most appealing about this business based on information you have already reviewed?

What concerns do you have about this business based on the information you have thus far?

What businesses / industries or geographic locations are of interest for an acquisition?

Businesses / Industries:	<input type="text"/>
Geographic Locations:	<input type="text"/>

CONFIDENTIALITY AGREEMENT FOR CODILIGENT LISTING 100013305

THIS IS NOT AN AGENCY AGREEMENT

Neither this agreement nor any other communications between Codiligent LLC and you will establish a Principal-Agent Relationship, unless explicitly stated in writing. Codiligent LLC represents the Seller. Nothing in this agreement shall be construed to create a Principal-Agent Relationship between you and Codiligent LLC. You agree and acknowledge that you will engage professional advisors as you deem necessary and appropriate in connection with a potential acquisition, and that Codiligent LLC is only providing you with certain information. You agree and confirm that you have neither engaged Codiligent LLC to provide any advice to you about an acquisition, nor will you rely on information provided by Codiligent LLC in making a purchase decision. Codiligent LLC makes no representation or warranty, express or implied, as to the truth, accuracy, or completeness of any information provided to Codiligent LLC by the Seller. You further agree that you have not established a Principal-Agent relationship with Codiligent LLC.

CONFIDENTIALITY

This Agreement is made between the undersigned individually, and any business entity in which the individual is employed by, an officer of, or has a financial interest in, as well as any such entity's officers, directors, employees, agents and advisors ("The Buyer") and Codiligent LLC for the benefit of Codiligent LLC and the owner ("The Seller") of the number-designated business listed above ("The Business") of which information is being requested.

In consideration of the disclosure of confidential information regarding The Business by Codiligent LLC to Buyer, it is understood and agreed that:

1. Confidential Information is defined as: all information received by The Buyer from Codiligent LLC or The Seller now and in the course of future investigations or due diligence, which is not available to the general public. This confidential information includes all oral, written, or electronic data inclusive of, but not limited to, records, reports, analyses, photos, plans, financial statements, policies, procedures, ideas, customers, samples, notes, and studies. Anything prepared by Codiligent LLC, The Seller, or another party pertaining to The Business is to be considered Confidential Information unless explicitly stated in writing otherwise by Codiligent LLC or The Seller. If there is any reasonable doubt whether anything is, or may be Confidential Information, it is.
2. The Buyer will not disclose any Confidential Information or make known by confirmation, that this company, division, or product line is for sale or that financing is being sought, either before or after termination of investigations or negotiations to any person or organization not authorized in this agreement.
3. Without specific prior written approval of Codiligent LLC or The Seller, The Buyer shall not provide any Confidential Information to any broker, intermediary, lending institution, prospective equity partner, syndication member, investor, or other financing source. If disclosure to such parties is desired, Codiligent LLC may require the execution of a separate confidentiality agreement with those parties.
4. The Buyer will not contact the The Seller's employees, customers, suppliers, competitors, accountants, bankers, or attorneys to discuss The Business or seek information about it, without written permission from Codiligent LLC or The Seller.
5. The Buyer will not contact The Seller directly unless authorized by Codiligent LLC.
6. All Confidential Information provided by Codiligent LLC or The Seller to The Buyer shall be used solely for the evaluation of a potential acquisition or financing decision, and shall not be used for any other purpose.
7. All Confidential Information shall be promptly returned or destroyed, as directed by Codiligent LLC or The Seller.
8. The Buyer shall not enter into any agreement for the purchase of stock or assets of any companies about which Codiligent LLC furnished information to The Buyer, unless said agreement contains an acknowledgement that Codiligent LLC is the procuring cause of such agreement and Codiligent LLC is entitled to a commission as agreed upon by such company and Codiligent LLC.

Dated at _____ am/pm this _____ day of _____ 20__.

Name (printed): _____ Phone: _____

Address: _____

Signature: _____

CERTIFIED STATEMENT OF PERSONAL WORTH AND INCOME

Name (printed): _____ Date: _____

Address: _____ Phone: _____

I certify that the following information is true & accurate (please sign) _____

ASSETS

AMOUNT IN US\$

Cash on Hand
US Government Securities
Other Stocks & Bonds
IRAs & Tax Deferred Retirement Accounts
Accounts, Loans & Notes Receivables
Cash Surrender Value of Life Insurance
Real Estate
Equity in Business Owned
Automobiles
Plane, Boat, RV, Motorcycle
Household Furnishings and Personal Effects
Other Assets

TOTAL ASSETS

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LIABILITIES & NET WORTH

AMOUNT IN US\$

Credit Card Debt
Line of Credit Balance
Notes Payable
Auto Loans
Liens on Real Estate
Plane, Boat, RV, Motorcycle Loan
Other Liabilities

TOTAL LIABILITIES

--

TOTAL NET WORTH (ASSETS - LIABILITIES)

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SOURCE OF INCOME

AMOUNT IN US\$

Salary
Bonus & Commissions
Dividends & Interest Income
Business Income
Real Estate Income, Royalties
Other Income

TOTAL INCOME

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