

# ACQUISITION OPPORTUNITY

Value-Added Supplier of Fasteners in the U.S.

Sept 2021



2020 Revenues	\$6.84 Million
2021B Revenues	\$8.60 Million
2021B Rev Growth	25.7%
2020 Adj. EBITDA	\$1.27 Million
2021B Adj. EBITDA	\$1.98 Million
Gross Margins	> 30%
SKUs Sold (2020)	> 1,000

## COMPANY HIGHLIGHTS

- ✓ Proprietary Brands with Strong Sales Growth
- ✓ Diverse Customer Base in Multiple End Markets
- ✓ Growing Customer Relationships and New Products
- ✓ Skilled Team of Industry Veterans
- ✓ Deep Long-Term Supplier Relationships
- ✓ Very Attractive Financial and Operating Metrics

## PRODUCT CATEGORIES

Fasteners

Tools

Parts

## Cross Keys Capital Team

**Roger Schoenfeld, Managing Director**

O: (847) 945-2166

M: (847) 732-2162

rschoenfeld@ckcap.com

**Ross Schoenfeld, Vice President**

O: (847) 945-2166

M: (847) 732-9715

ross.schoenfeld@ckcap.com

## COMPANY OVERVIEW

The Company is a manufacturer and distributor of industrial fasteners and fastening tools for industrial, packaging, and wood-to-wood applications. The Company's largest product category includes proprietary branded products developed by the Company. Products are also sold under other brand names and through private label arrangements. Most products sold by the Company are manufactured exclusively for the Company by suppliers according to its specifications and requirements. The Company sells its products to other distributors and wholesalers, packaging houses and through e-commerce platforms.

The Company's success is due to a broad and comprehensive product line, an extremely knowledgeable and experienced team, deep industry contacts, and the ability to source products to meet each customer's diverse needs. The Company has long-standing vendor and customer relationships. These factors enable the Company to achieve gross margins now exceeding 30%.

## THE OPPORTUNITY

This is a rare opportunity to acquire a highly unique and very profitable supplier of industrial fasteners and fastening *tools (with proprietary brands)*. The Company has built a strong industry reputation that provides an excellent platform for continued growth. The existing team that runs the business is excellent.

## DESIRED TRANSACTION

The owners have spent years building a very successful business. The operating owner (who works part-time) would like to retire after a transition period. The other owners are not active in the business.

The owners believe that an ideal suitor would be another fastener or tool company who would benefit from the diversification and expansion of combining the Company's business with theirs. The operating owner will provide the services and support required to ensure an orderly and successful transition of the business to a new owner.

Income Statement Trends	2018	2019	2020	7/31/21 TTM	2021B
Sales	\$7,948	\$7,021	\$6,840	\$8,143	\$8,600
% Growth			-2.6%	19.0%	25.7%
COGS	\$5,844	\$5,068	\$4,889	\$5,563	\$5,848
Gross Profit	\$2,104	\$1,953	\$1,952	\$2,580	\$2,752
Gross Profit %	26.5%	27.8%	28.5%	31.7%	32.0%
Operating Exp.	\$1,116	\$1,136	\$1,100	\$1,154	\$1,179
EBITDA	\$883	\$746	\$736	\$1,263	\$1,395
Adjusted EBITDA	\$1,410	\$1,254	\$1,269	\$1,836	\$1,983
Adjusted EBITDA %	17.7%	17.9%	18.5%	22.5%	23.1%