

## Confidential Acquisition Opportunity:

# PROJECT WALNUT

*Manufacturer of hardwood cabinet components and other custom and specialty millwork*

### OPPORTUNITY:

Krahn Capital Group, LLC exclusively represents the owners of a manufacturer of hardwood cabinet components, mouldings, glued panels and blanks, paneling, and other custom and specialty millwork as they explore a strategic sale. The Company is located in the Midwestern United States.

The sellers are seeking a sale to an outside buyer who can capitalize on its strong reputation in the market and pursue additional growth opportunities with its long-standing and loyal customers.

### SUMMARY FINANCIALS:

Summary financial information for 2021, 2022, and 2023 is as follows:

<b>2021 REVENUE:</b>	<b>\$9.50 million</b>	<b>2021 Adjusted EBITDA:</b>	<b>\$1.05 million</b>
<b>2022 REVENUE:</b>	<b>\$11.16 million</b>	<b>2022 Adjusted EBITDA:</b>	<b>\$1.92 million</b>
<b>2023 REVENUE:</b>	<b>\$8.67 million</b>	<b>2023 Adjusted EBITDA:</b>	<b>\$1.41 million</b>
<b>2024(F) REVENUE:</b>	<b>\$8.84 million</b>	<b>2024 (F) Adjusted EBITDA:</b>	<b>\$1.46 million</b>

The ramp up in revenue in 2021, and the high-water mark in 2022, was partially due to pandemic-related price increases with both suppliers and customers. The company believes that 2023 established a new revenue and profitability baseline for future growth and that, as residential mortgage rates decline, sales and profits will grow more rapidly in a lower interest rate environment.

### KEY ACQUISITION OPPORTUNITY ADVANTAGES:

The Company provides a potential buyer with several key advantages, including:

- 1. Location and Workforce:** The Company is conveniently located near suppliers and customers, with access to a workforce at a lower cost relative to major metropolitan areas.
- 2. Robust Systems and Processes:** The Company has adopted the Traction methodology and instilled a culture of accountability and continuous improvement throughout the organization.
- 3. Longstanding and Loyal Customer Base:** Over 80% of the Company's revenue comes from longstanding customers (more than 10 years). These customers would absorb 100% of the Company's capacity if the Company would allow them to.

### NEXT STEPS:

To receive additional information, including a Confidential Information Memorandum, please sign and return the attached Confidentiality Agreement and/or contact:

**Stuart Krahn** 651-890-7912  
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*The foregoing pro forma financial information is excerpted from Company-prepared pro forma financial information. The projections (and the Company assumptions underlying the projections) have not been reviewed or audited by the Company's accountants or other advisors. The Company's actual results will differ (and may differ materially) from the results projected. This document is not an offering of securities; no offering is made or intended by this document.*