



## Acquisition Opportunity

### INDUSTRIAL MACHINERY MANUFACTURING – FOUNDRY INDUSTRY

Founded in 1964 in the family garage, the Company has been an innovator in the foundry industry since its early days. The Company quickly became a leader in automation for the foundry industry and today has almost 1,500 machines in operation across the globe. The business manufactures both molding machines and mold handlers as well as the replacement parts used by the extensive customer base. In addition, the customer base produces castings used in dozens of industries, from Aerospace to Wind Power Generation. The global reputation for quality and reliability has resulted in a steady order flow of new machines while building a sizable parts & service business.

#### Investment Highlights

- Strong Brand recognition known as the Foundry Industry leader for Matchplate Molding Machines
- Steady recurring revenue from parts, service and support (65% to 75% of total revenue)
- Innovative leader setting automation trend in the Foundry Industry
- Over 200 diverse customers across dozens of different industry segments
- Plant located in China with assembly capabilities to serve the rapid growth in Asia.
- Plant located in Schaumburg, IL of 120,000 square feet available for lease or can vacate after a reasonable transition. Capacity to produce greater than \$20 million in annual sales on one shift.
- Solid team that can lead the Company to even greater success.
- No customer concentration with the largest customer coming in at 11% to 16% of total annual sales.
- Patent protection on the innovations built into the equipment, including a recently completed R&D project that has improved the engineering and performance of the latest automation equipment.

Year \$(000)	2021 (Plan)	2020(Actual)	2019(Actual)	2018 (Actual)
Sales	\$ 8,575	\$ 7,986	\$ 9,800	\$ 8,343
Gross Profit	3,495	3,448	3,828	3,619
Normalized EBITDA	1,595	1,348	1,591	1,230
Strategic EBITDA	3,066	2,780	2,875	2,566

This is also a terrific opportunity for a strategic consolidation into the Schaumburg plant to utilize the excess capacity or consolidate into an existing plant of the buyer who has excess capacity to fill. This would allow significant savings through staff consolidation, eliminating many redundant positions and the extensive facility savings in rent. In addition, the access to the greatly underutilized 40,000 square foot plant in China could open many new sales opportunities in Asia, and at improved margins through onsite manufacturing for a strategic buyer.

To learn more about this opportunity please contact:

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