

ACQUISITION OPPORTUNITY

Value-Added Supplier of Flexible Packaging in Eastern U.S.

July 2021

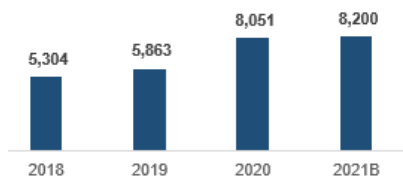


Opportunity Type:	Acquisition
Location:	Eastern USA
2020 Revenues	\$8.05 Million
2021B Revenues	\$8.20 Million
2020 Adj. EBITDA	\$2.59 Million
2021B Adj. EBITDA	\$2.82 Million
Gross Margins	> 38%
SKUs Sold (2020)	> 1,200

COMPANY HIGHLIGHTS

- ✓ 28 Straight Years of Revenue Growth Since Being Established
- ✓ Long-Standing Customer Relationships in Diverse End Markets
- ✓ Value-Added Custom Product Sourcing
- ✓ Skilled and Dedicated Team
- ✓ Deep Long-Term Supplier Relationships with Efficient Lead Time
- ✓ Very Attractive Financial and Operating Metrics

Sales History



Cross Keys Capital Team

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COMPANY OVERVIEW

The Company is a long-established and well-known value-added supplier of flexible packaging products, specifically polyethylene bags, to a diverse global base of more than 1,500 large and medium-sized customers in a wide range of end markets, including consumer products, pharmaceutical, healthcare, food and ingredient, industrial manufacturing, and more.

The Company's success is due to 1) its outstanding customer service; 2) ability to source value-added custom and stock packaging products for customers with fast lead times; and 3) its solid reputation for supply chain excellence, supplying quality products that are 99.9% made in USA with the ability to meet FDA and EU regulations. This enables the Company to achieve gross margins exceeding 38%! The Company has long-standing relationships with most of its top customers and vendors for more than 25 years.

THE OPPORTUNITY

This is a unique opportunity to acquire substantially all of the assets of a long-standing value-added supplier of flexible packaging products that runs a highly efficient business that generates very strong margins. The Company has built a strong industry reputation that provides an excellent platform for growth. The Company believes that the business can grow more quickly by adding a dedicated sales / business development person and increasing marketing efforts. They have identified and are working on opportunities to penetrate additional locations of existing customers and expand the product offering to existing customers by cross-selling additional products.

DESIRED TRANSACTION

The owners have spent many years building a very successful business and are planning for retirement and a transition. The owners believe that an ideal suitor would be another packaging distributor / manufacturer or private equity firm who would benefit from the diversification and expansion of combining the Company's business with theirs. The owners will provide the services and support required to ensure an orderly and successful transition of the business to a new owner.

Income Statement Summary	2018	2019	2020	2021B	6/30/20 YTD	6/30/21 YTD
Sales	\$5,304	\$5,863	\$8,051	\$8,200	\$2,699	\$4,296
% Growth		10.6%	37.3%	1.9%		59.2%
COGS	\$3,492	\$3,826	\$4,979	\$4,840	\$1,689	\$2,608
Gross Profit	\$1,812	\$2,037	\$3,072	\$3,360	\$1,010	\$1,688
GP Margin %	34.2%	34.7%	38.2%	41.0%	37.4%	39.3%
Operating Expenses	\$1,095	\$930	\$938	\$1,100	\$339	\$466
EBITDA	\$742	\$1,130	\$2,157	\$2,292	\$683	\$1,238
Adjusted EBITDA	\$1,225	\$1,572	\$2,585	\$2,822	\$786	\$1,406
Adjusted EBITDA %	23.1%	26.8%	32.1%	34.4%	29.1%	32.7%

\$ in Thousands