

Acquisition Opportunity

KCBG – Semi-Absentee Packaging Solutions & Services Company

Corporation Type: C Corporation Location: Southwest US SIC Code: 2671

T|V|G THE VANT GROUP

This well-established company with contractual revenue engineers and distributes innovatively efficient packaging solutions to a multitude of industries. From standard to custom packaging solutions, the company offers state of the art systems to ensure the highest levels of client satisfaction. Leveraging latest technologies and deep analytics, the company streamlines clients' packaging processes, providing automated solutions to help meet any timeline. Specializing in everything from packaging design to military-approved containers, the company offers packing solutions and services such as medical packaging, food process packaging, vendor managed inventory, digital printing packaging, automation solutions, custom packaging, moving and storage, cosmetic packaging, manufacturing, fulfillment warehouse packaging, and continuous improvement programs. The company's robust adaptive capabilities have allowed it remain a competitive leader in the evermore diversifying arena of packaging.

Accepting Bids

Top Details

- Established and well-known company after 30+ years in the industry.
- Strong management team consisting of tenured professionals with a stable organizational framework.
- The current owner only spends 3 to 4 days a month at the company and just one day a week monitoring progress.
- Well connected in the industry and a founding member of a major industry organization.
- Growing levels of revenue and profitability. The company has been able to keep direct costs stable with this continued growth to ensure gross margins are intact.
- Contractual revenue with several long-term contracts that range from 3 to 5 years.
- High levels of repeat clientele due to continuous success and satisfaction. The average "years doing business" for the company's top 10 customers is 12.7 years each.
- Overtime, the company has been able to incorporate new capabilities to keep up with the diversifying industry of packaging.
- Leader in environmentally friendly packaging products, promoting sustainability initiatives to reduce waste, re-use and recycle materials, and lowering energy consumption for society.

Strengths

- Skilled and innovative personnel for state-of-the-art internal packaging design and sample making processes.
- Positive customer relationships that encourage long-term partnerships.
- Use of deep analytics to drive per order profitability, executive decisions, customer selection, etc.
- Excellent operational capabilities with the ability to quickly adjust from a cookie-cutter project to a custom packaging project.
- Above-average operating systems that are not in place by majority of the company's competitors.
- Depth of management that's empowered growth in the company financially, for clients, and for employees.
- Financially healthy with superior levels of liquidity and solvency.
- Excellent supplier relationships with many connections.
- Company has already groomed a General Manager to stay on with the business post close.

Weaknesses

- Some level of difficulty getting salespeople to reach optimal levels of productivity.
- Long tenured employee base. Recent retirements have led to the infusion of younger employees.
- The company has a mail order division that has experienced stagnant performance.
- Although the company has kept up with the diversifying industry, the implementation of new ideas and concepts is slower than desirable.

Marketing Strategy

- The company focuses on identifying and meeting the packaging needs of substantial users. The company develops business using outside and inside skilled salespeople. New business is generated primarily through a combination of outside sales efforts, referrals, and focused advertising enabling the company to gain market share in the US and Mexico while developing more international opportunities.

Reason for selling:

- The owner has the ability to retire and would like to benefit from the years of building a successful business.

Key Indicators (Accrual Basis):

Year (Financial Year End: 06/30)	2022 P \$'000	2021 P \$'000	2020 P \$'000	2019 \$'000	2018 \$'000	2017 \$'000
Revenue	20,115	19,221	18,401	17,616	17,999	18,056
Gross Profit	5,330	5,045	4,765	4,722	5,060	5,139
Adj. EBITDA*	1,157	990	902	1,635	1,298	1,276

*Profit before interest, tax, depreciation, amortization (non-cash items) including owner salary, one-time and discretionary expenses.

Included in offering:

- Assets: \$326,245
- All debts, if any, on the company will be paid off by the seller at closing.
- Buildings are not included but are available for purchase as part of the transaction.
- Company resides in a QOZ (Qualified Opportunity Zone).

Business Days and Hours

- | | |
|----------------------|-------------------|
| ➤ Monday - Friday: | 8:00am to 5:00pm. |
| ➤ Saturday - Sunday: | Closed. |

Employees:

- The Company has a total of 25 full time employees. The key employees are the Vice President of General Management, Vice President of Service, and Vice President of Sales.

Support and Training

- The Owner genuinely desires an effective business transition with seamless customer service through to the buyer and has expressed openness towards negotiating free-of-charge training period with a qualified buyer.
- Both majority and minority owners are seeking to sell the company and are willing to stay on for transition as negotiated with the buyer.

Next Steps

- In order that we may obtain our client's permission to release the Confidential Information Memorandum, please complete the Non-Disclosure Agreement and Buyer Profile and return to:

Ken Clark, Managing Director

ken@thevantgroup.com

(480) 227-9161



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THE VANT GROUP

CORPORATE/INVESTMENT GROUP CONFIDENTIALITY AGREEMENT

Semi-Absentee Packaging Solutions & Services Company Sale Price & Down Payment: Accepting Bids

1. For good and valuable consideration, the receipt and sufficiency of which are acknowledged, the undersigned ("The Recipient") enters into this Confidentiality Agreement with and for the benefit of The Vant Group ("the Broker").

2. The Broker has attached hereto or has provided or may subsequently provide to the Recipient in connection herewith certain technical, financial, and/or business information (collectively the "Information") regarding the Company (as above designated) to facilitate an evaluation by the Recipient whether to acquire the Company or stock or assets thereof. The Recipient acknowledges that the Information is highly confidential and proprietary to the Company.

3. The Recipient shall not at any time, without prior written consent of the Company, furnish, copy, reproduce or distribute, in whole or in part, directly or indirectly, the Information to anyone, except Recipient's financial advisors and investors, who may be furnished with the Information for the sole purpose of advising the Recipient as to the structure of any proposed purchase of the Company (or its stock or assets), and it will keep permanently confidential the Information and will use the Information only for the purpose set forth above. The Recipient shall be under no obligation to maintain as confidential any information which (a) Recipient can show by legally sufficient written evidence was in its possession prior to disclosure by the Broker and/or the Company; or (b) becomes generally available to the public in tangible form other than by acts or omissions of Recipient; or (c) is lawfully obtained from a third party. The Recipient shall not contact the Company to discuss the sale or purchase of the Company or the Information without prior written consent of the Broker.

4. The Recipient hereby indemnifies and holds harmless the Broker, and its agents, representatives, employees and attorneys, from and against any and all claims, liabilities, actions, causes of action and damages, arising from or relating to any injury or loss arising out of, from, or attributed to the transactions or matters subject hereof, or the actions, omissions, wrongful conduct or other breach of this Confidentiality Agreement by Recipient, which indemnification shall include, without limitation, reimbursement of attorney's fees and expenses incurred by the Broker in connection herewith.

5. The Recipient shall not enter into any agreement for the purchase of the Company or its stock or assets unless said agreement contains a provision wherein the parties thereto acknowledge that the Broker is the procuring cause of such agreement and the Broker is entitled to a broker's commission as agreed upon by the Company and the Broker.

6. While the Information is believed to be accurate, it is subject to change, error or withdrawal of offering, without notice. The Company and the Broker expressly disclaim any and all liability for representations or warranties, expressed or implied, contained in the Information, or, for omissions from it. The Company reserves the right to require the return of the Information at any time.

7. A facsimile transmission of this document is legal and binding.

8. The Recipient warrants that the undersigned is a duly authorized by the company to enter into binding legal contracts on its behalf.

9. This Agreement contains the entire agreement between the parties hereto with regard to the subject matter hereof. If one or more of the provisions contained herein shall be held to be invalid, illegal or unenforceable, the balance of this Agreement shall remain in full force and effect. This Agreement shall be binding upon the parties' heirs, successors and assigns, where permitted. This Agreement may not be assigned by the Recipient without the prior written consent of the Broker. No ambiguity herein shall be resolved presumptively against any party. This Agreement shall be construed in accordance with the laws of the State of Texas, and the obligations of the parties are performable in Dallas, County, State of Texas, where venue shall lie for any actions brought hereunder.

RECIPIENT:

Company Name

Street

Signature

City State Zip

Print Name

Phone

Date: _____

Fax