

Acquisition Opportunity

KCBG – Semi-Absentee Packaging Solutions & Services Company

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

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.

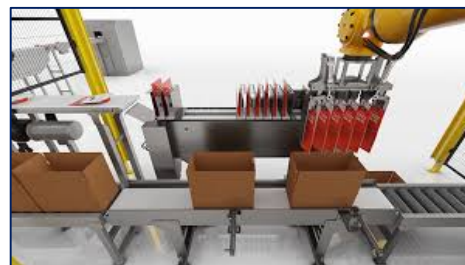
Support and Training

- 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



**STANDARD BUYER'S CONFIDENTIALITY
AND WARRANTY AGREEMENT**

The undersigned (the "Buyer") understands and acknowledges that The Vant Group (the "Broker" has a valid agreement with the owner(s) (the "Seller") of the business and/or property described below (the "Business") whereby Broker has been retained, for an agreed upon commission, to represent Seller in the sale of the Business. Buyer understands and acknowledges the Broker is acting as the agent of the Seller and that Broker's primary duty is to represent the interests of the Seller. The Business that is the subject of this Standard Buyer's Confidentiality and Warrant Agreement (the "Agreement") is as follows:

Description of Business: Semi-Absentee Packaging Solutions & Services Company

Asking Price: Accepting Bids

In order to induce Broker or Seller to furnish information regarding the Business (the "Information") to Buyer for Buyer's evaluation and possible purchase of said Business and in consideration for Broker's or Seller's furnishing such information, Buyer understands, agrees, represents and warrants to Broker and Seller as follows:

1. The word "Buyer," as used herein, shall mean and include the undersigned individually, as a member of a partnership, as an employee, stockholder, officer or director of a corporation, as an agent, adviser or consultant for or to any business entity and in any other capacity whatsoever.

2. The Information is of a proprietary and confidential nature, the disclosure of which to any other party will result in damage to the Seller and/or Business, and Buyer further represents and warrants as follows:

(A) The Information furnished by Broker or Seller has not been publicly disclosed, has not been made available to Buyer by any party or source other than Broker or Seller and is being furnished only upon the terms and conditions contained in this Agreement.

(B) Buyer will not disclose the Information, in whole or in part, to any party other than persons within Buyer's organization, including independent advisers/consultants, who have a need to know such Information for purposes of evaluating or structuring the possible purchase of the Business. Buyer accepts full responsibility for full compliance with all provisions of this Agreement by such other persons.

(C) Buyer will not disclose, except to the extent required by law, to any parties other than the persons described in Paragraph 2(B) above that the Business is available for purchase or that evaluations, discussions or negotiations are taking place concerning a possible purchase.

(D) Buyer will not utilize, now or at any time in the future, any trade secret(s), as that term may be defined under statutory or common law, that is/are included in the furnished Information for any purpose other than evaluating the possible purchase of the Business, including, without limitation, not utilizing same in the conduct of Buyer's or any other party's present or future business(es).

(E) In addition to the prohibition against utilizing trade secret(s), Buyer will not utilize any other furnished information for any purpose other than evaluating the possible purchase of the Business, specifically including, without limitation, not utilizing same to enter into and/or engage in competition with the Business or assist or promote any other party(s) in so doing. The foregoing prohibition against utilizing said Information in competing with the Business shall remain in effect for three (3) years from the date hereof and shall be applicable to competition within the presently existing marketing area of the Business.

(F) If Buyer decides not to pursue the possible purchase of the Business, Buyer will promptly return to Broker all Information previously furnished by Broker or Seller, including any and all reproductions of same, and further, shall destroy any and all analyses, compilations or other material that incorporates any part of said Information.

3. Buyer will not contact the Seller or Seller's employees, customers, suppliers or agents other than Broker for any reason whatsoever without the prior consent of the Broker. All contacts with the Seller or such other parties will be made through or by Broker unless otherwise agreed to by Broker, in writing.

4. The Information furnished by Broker has been prepared by or is based upon representations of the Seller and Broker has made no independent investigation or verification of said Information. Buyer hereby expressly releases and discharges Broker from any and all responsibility and/or liability in connection with the accuracy, completeness or any other aspects of the information and accepts sole and final responsibility for the evaluation of the Information and all other factors relating to the Business.

5. The Information is subject to change or withdrawal without notice and the Business is being offered for sale subject to prior sale or the withdrawal of said offering without notice.

6. Buyer will indemnify and hold harmless the Broker and Seller from any and all claims or actions arising from Buyer's acts or failures to act in pursuing the possible purchase of the Business, including, without limitation, reasonable attorney's fees and other expenses incurred by Broker.

7. Buyer will not, for a period of three (3) years from the date hereof, enter into any agreement for the purchase of the Business, in whole or in part, or assist or promote any other party in so doing, unless such agreement to purchase provides for commission to be paid Broker, with the commission being defined as the amount agreed upon by Broker and Seller in the "Standard Listing Agreement" or similar agreement between those parties. The phrase "agreement for the purchase of the Business" as used

herein, shall mean and include any agreement, specifically including, but not limited to, offers to purchase, letters of intent and similar agreements, that provides for the transfer, conveyance, possession of, or disposition of the Business, its capital stock, assets, or any portion thereof, and the commission amount to be paid Broker shall be the greater of either the minimum commission or the commission based upon sale price (or purchase price), as these amounts are defined in the aforesaid agreement between Broker and Seller. Further, "sale price (or purchase price)" as used herein shall mean and include the total amount of consideration paid or conveyed to Seller or for Seller's benefit, including, without limitation, cash, capital stock, notes, personal property of any kind, real property, leases, lines of credit, loans, contingent payments (e.g., license agreements, royalty agreements, payments based upon future sales or profits, etc.), employment or management contracts, consulting agreements, non-competition agreements, assumption or discharge of any or all liabilities, and any combination of the foregoing and/or other consideration. The commission amount agreed upon by Broker and Seller in the aforesaid agreement between those parties will be made known to Buyer by Broker, upon Buyer's request, when and if an agreement for the purchase of the Business is made by Buyer. If Buyer violates the foregoing provision, Buyer will be liable for and pay said commission to Broker upon demand without any obligation on Broker's part to first exhaust any legal remedies against Seller.

8. Buyer represents that Buyer has sufficient financial resources to complete the transaction for the asking price and terms set forth herein. Buyer agrees to provide, upon request by Broker or Seller, financial statements, references and other pertinent information evidencing such financial sufficiency.

9. The performance and construction of this Agreement shall be governed by the laws of the State of Texas. All sums due hereunder shall be payable at the office of the Broker in Dallas County, Texas and all parties hereto agree to forbear from filing a claim in any other jurisdiction.

10. This Agreement shall be binding upon the Buyer, Buyer's heirs, executors, successors, assigns, administrators or representatives. If any provision of this Agreement shall be held to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and this Agreement shall be construed as if such invalid, void or unenforceable provision had not been contained herein.

11. Any controversy between the parties to this Agreement involving the construction or application of any of the terms, covenants or conditions of this Agreement, shall on written request of one (1) party served on the other, be submitted to binding arbitration. Such arbitration shall be under the rules of the American Arbitration Association. The arbitrator shall have no authority to change any provisions of this agreement; the arbitrator's sole authority shall be to interpret or apply the provisions of this Agreement. The expenses of arbitration conducted pursuant to this paragraph shall be born by the parties in such proportion as the Arbitrators shall decide.

12. The terms and conditions of this Agreement shall also apply to any other business and/or property on which Broker has been retained to represent the owner(s) in the sale thereof and on which Broker or owner(s) has furnished information to Buyer. Further, it shall not be necessary for Buyer to execute any additional agreement(s) to that effect and any terms and conditions of this Agreement that refer to the date hereof shall automatically be adjusted to reflect the date on which Broker or owner(s) initially furnished information to Buyer on such other business and/or property.

13. The provisions hereof cannot be modified, amended, supplemented or rescinded without the written consent of Broker and this Agreement sets forth the entire agreement and understanding

EXECUTED ON THIS _____ DAY OF _____ 2020

Typed/Printed Name of Buyer

Signature (Individually and as
Duly Authorized Representative)

Street Address

City, State, Zip Code

Telephone / Email address

Typed/Printed Name of Buyer

Signature (Individually and as
Duly Authorized Representative)

Street Address

City, State, Zip Code

Telephone / Email address



BUYER'S PERSONAL PROFILE - CONFIDENTIAL INFORMATION

Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Telephone: Home (____) _____ Office (____) _____ Cell (____) _____

Email Address: _____

Present Occupation/Business: _____

How Did You Learn Of Our Company? Internet Ad Referral Other: _____

Type of Business Preference

(Retail, Wholesale, Manufacturing, Service, Etc):

1. _____
2. _____
3. _____

Location Preference:

1. _____
2. _____
3. _____

Cash In Banks	\$ _____	Notes Payable	\$ _____	x
U.S. Govt Securities	\$ _____	Liens On Real Estate	\$ _____	
Accounts & Notes Receivable	\$ _____	Other Liabilities	\$ _____	
Value Of Businesses Owned	\$ _____	TOTAL LIABILITIES	\$ _____	
Other Stocks And Bonds	\$ _____			
Real Estate	\$ _____	Salary	\$ _____	
Automobiles -- Number ()	\$ _____	Dividends & Interest	\$ _____	
Other Assets	\$ _____	Other Income	\$ _____	
TOTAL ASSETS	\$ _____	TOTAL INCOME	\$ _____	

Monthly Income Required: \$ _____ Down Payment Available: \$ _____

Personal Net Worth: \$ _____ Require Immediate Income?: _____

Who Else Would Be Involved In The Decision Process? _____

Have You Ever Filed For Bankruptcy? _____ Have You Ever Been Arrested? _____

Fields of past Business experience:

- 1 _____ 2 _____ 3 _____

I Hereby Attest That The Above Is A True Representation On My Financial Status. I Agree To Provide, Upon Request By Broker Or Seller, Financial Statements, References And Other Pertinent Information Evidencing Such Financial Sufficiency If Necessary

Signature: _____ Date: _____

A Personal Or Business Financial Statement Will Be Required Of All Potential Buyers Before Receiving Financial Information On Any Listing