










## ACQUISITION OPPORTUNITY

# SB792: Profitable State-of-the-Art Machine Shop to Aerospace Giants

20+ Years of Success | State of the Art Equipment | Enviable Corporate Client List



### SPECIFICATIONS

 <b>Price:</b> \$8,950,000	 <b>Revenue:</b> \$4,109,521 (TTM)	 <b>EBITDA:</b> \$1,582,580 (TTM)
 <b>Location:</b> Northern California	 <b>Sales Backlog</b> Over \$2.75M in backlog	 <b>YOY EBITDA Growth:</b> 29%+
 <b>Employees:</b> 13 Full Time	 <b>Reason for Sale:</b> Seller Retiring	 <b>Goodwill:</b> 20+ Years success. World-class long term client list

### BUSINESS SUMMARY

- Services:** CNC Milling Centers | CNC Turning Centers | Multi Axis | Wire EDM | CMM | Hardware installation & Assembly
- FF&E Highlights:** \$5M+ state-of-the-art equipment with automation, plus sophisticated software to manage production from start to finish / top of the line corollary equipment
- Inventory:** Estimated at \$200,000 - \$400,000
- Clients:** Aircraft manufacturers | Satellite manufacturers | Spacecraft manufacturers
- Lease:** 7,600sf; building owned by Seller and available for lease or purchase (optional purchase of real estate *additional* to asking price of business. Inquire for details)
- Materials:** Aluminum, titanium, stainless steel, and more
- Geographic markets:** Predominantly California
- R&D Tax Credits:** Available for qualifying buyers (inquire for details)

### OPPORTUNITY OVERVIEW

Opportunity to acquire a world class, state-of-the-art machine shop with a 20+ years of success and a solid reputation for quality.

Company is AS9100 certified, and caters to the aerospace industry with customers who represent a cross-section of the world's largest aerospace manufacturers; with an emphasis on satellite, airplane, and spacecraft parts.

Company has built its reputation on quality and precision, delivering complex and tight tolerance parts, using the very latest technology.

The business is currently run in a single shift, with a significant opportunity to leverage high demand to increase capacity and revenues.

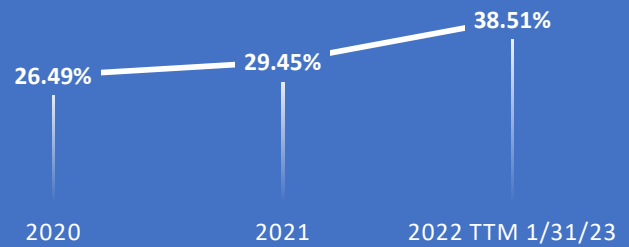
Perfect opportunity for a strategic buyer within the industry to expand operations and capacity. For the right Buyer, Company has R&D tax credits which are transferrable to qualified Buyer.

Real estate for sale or lease, at Buyer's option. Purchase price excludes the value of real estate.

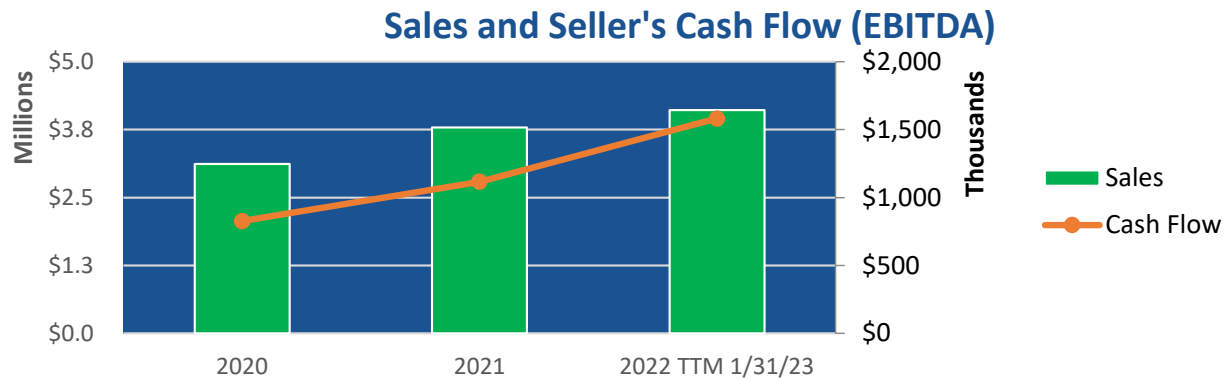
## VALUE PROPOSITION

- 7% YOY Revenue Growth and 29% YOY EBITDA growth
- Millions continually invested in state-of-the-art equipment
- Total FF&E value roughly \$5M, including equipment
- \$2.75M+ in sales backlog
- R&D tax credits available for qualifying buyers
- Buyer can increase revenue through multiple shifts
- World-class customer base
- Exceptionally high margin business
- AS9100 Certification, transferable to qualifying buyer

## PROFIT MARGIN



## REVENUES & CASHFLOW (EBITDA)



## FINANCIAL HIGHLIGHTS

- Listing Price: \$8,950,000
- Fiscal 2022 TTM EBITDA: \$1,582,580
- Fiscal 2022 TTM Revenues: \$4,109,521
- 2022 fiscal forecast revenues \$4.5M+ (fiscal year ends June 30, 2023)
- Roughly \$2.75M+ in sales backlog; POs in place
- R&D Tax Credits (for qualifying buyers)
- New equipment with automation capabilities
- High margin business resulting from Company's ability for meet precision client requirements

## CASHFLOW ANALYSIS

Financial Statement Source	Tax Return	Tax Return	P&L
	2020	2021	2022 TTM 1/31/23
<b>Sales</b>	\$3,117,871	\$3,790,229	\$4,109,521
<i>Less</i> Cost of Sales	\$1,575,189	\$1,960,614	\$2,719,722
<i>Less</i> Operating Expenses	\$1,699,627	\$1,991,825	\$608,144
<i>Equals</i> Net Income Before Taxes	(\$156,945)	(\$162,210)	\$781,655
Depreciation	\$412,654	\$496,572	\$0
Amortization	\$7,319	\$7,342	\$0
<i>Plus</i> Interest on Loans to Business	\$113,306	\$160,803	\$53,278
<i>Plus</i> Officer/Owner's Salary	\$699,278	\$810,141	\$838,295
<i>Plus</i> Payroll Taxes on Officer/Owner's Salary	\$38,618	\$44,740	\$46,295
<i>Equals</i> Preliminary EBITDA	\$1,114,230	\$1,357,388	\$1,719,523
<b>Addbacks:</b>			
Owner Health / Dental / Pension / 401K match / Insurance	\$112,288	\$110,819	\$127,733
Auto Expenses for Owner's Benefit	\$18,642	\$13,473	\$18,636
Replace GM and other departing officers & taxes	(\$437,918)	(\$437,918)	(\$437,918)
Non-recurring Expenses	\$0	\$53,714	\$136,006
Adjustment for Seller overpaid rent	\$18,600	\$18,600	\$18,600
<b>Sum of Addbacks:</b>	<b>(\$288,388)</b>	<b>(\$241,312)</b>	<b>(\$136,943)</b>
<b>Total EBITDA</b>	<b>\$825,842</b>	<b>\$1,116,076</b>	<b>\$1,582,580</b>
EBITDA Margin	26.49%	29.45%	38.51%