

## ACQUISITION OPPORTUNITY

Identifier:	<b>Manufacturer/Distributor of Premium Construction Materials</b>
Location:	Upper Midwest
Founded:	1980
Description:	Well-established manufacturer and B-to-B distributor of premium materials used in residential and multi-family construction. The company is well known in its industry for their product innovation and quality, ease of ordering, responsiveness and on-time delivery.
Sales & Earnings:	2021 year-end revenue was \$13.3 million, up 18% from \$11.2 million in 2020. 2021 adjusted EBITDA was \$1.3 million, up over 300% from 2020 adjusted EBITDA of \$410,000. Projected 2022 revenue and earnings are expected to be \$14.4 million and \$1.4 million, respectively.
Facilities:	The company leases a 64,000 sq. ft. headquarters and production facility with sufficient space for current operations and growth, as well as available space for building expansion.
Employees:	Approximately 90 highly trained and experienced non-union employees, including full management team. The owner serves in a governance role and is semi-retired. All of the management team and employees are expected to want to stay on with the new owner.
Future:	The company's products have always been in demand and new product innovations released in the last five years have been very well received in the market. The management team has identified a number of new revenue and profit opportunities available to the buyer to continue growth and reduce labor costs.
Reason for Sale:	After founding the company 35 years ago, the owner has developed a highly effective management team and has stepped out of day-to-day management of the company. The owner is committed to an orderly transition of up to one year and then would like to retire. He is also open to retaining an equity position in the company.
Price/Terms:	The business is valued at \$7.5 million on a debt-free, cash free asset purchase basis. The assets include \$1.2 million of working capital and all fixed assets, equipment, fixtures and tools, intellectual property, customer relationships, trained employees and goodwill.
Fee:	Seller
Contact:	Mike Hannon or Greg Loeschke at 763-546-8201 or mhannon@lingate.com or gloeschke@lingate.com



**NON-DISCLOSURE AGREEMENT**

We as potential acquirers or merger candidates of “Manufacturer/Distributor of Premium Construction Materials”, a company to be further described after appropriate non-disclosure assurances, (“Company”), desire sufficient information to complete an evaluation of the Company and in consideration therefore, we, our subsidiaries, parents, affiliates, and agents will keep confidential all information hitherto provided or to be provided by the Company, individuals or those representing same. Such information shall be disclosed only to those persons, including attorneys, accountants or financial advisors, who have proper reason or need to have access to such information. Additionally, we shall promptly return or destroy all documents and other information regarding the Company promptly upon determining that we have no interest in pursuing further discussions with or about the Company.

We acknowledge that the Company could be severely damaged in the event others become aware that the Company is for sale and we agree to exercise reasonable safeguards to prevent others from knowing the Company is for sale. Additionally, we agree not to use information provided to compete with the Company or otherwise cause it harm. Without limiting the generality of the foregoing, we will not recruit employees of the Company or disclose the existence or content of discussions with the Company to any party for 24 months after the later of the date hereof or the termination of discussions with the Company. This agreement does not preclude employees from responding to public advertisements for employment.

We, the prospective buyer and representatives, acknowledge that all such information is disclosed solely for the purpose of evaluating this business entity as an acquisition or merger candidate. Any information disclosed by the Company, or its representatives, shall be used solely for the purpose outlined above. All persons receiving information relative to this matter acknowledge that the information has not been audited or otherwise scrutinized by *LINGATE FINANCIAL GROUP* and the user has full responsibility to conduct sufficient diligence to satisfy themselves as to accuracy. Under no circumstances will I/we attempt to contact the Company, its principals, accountants, attorneys, bankers, employees, customers or suppliers without specific authorization of *LINGATE FINANCIAL GROUP*.

We agree to deal for the purchase or acquisition of the business only through *LINGATE*. We further agree that all communications regarding the possible transaction, requests for documents, questions, proposals, draft documents etc. will be directed to *LINGATE*. Should we, or purchasers affiliated with us, purchase, lease or by any other means acquire any interest in foregoing business, within a period of two years from the date of this Agreement, without negotiating the same through *LINGATE*, we agree to pay *LINGATE* the amount of the commission it would otherwise be entitled to receive.

In the event that we do not enter into a transaction with or relating to the Company, or our interest in pursuing this matter further ceases, all information provided by the Company, or its representatives, shall promptly be destroyed or returned to *LINGATE FINANCIAL GROUP*, and no copies shall be retained by the reviewing and/or prospective acquiring party(s). Further, if a purchase agreement shall not be consummated for any reason whatsoever, the undersigned and those representing same or an affiliated organization shall keep confidential any and all information (unless ascertainable from public or published information or trade sources) obtained from the Company, or its vendors, customers, and other persons concerning the Company’s operations and business.

As a condition to entering this agreement, the undersigned attests and agrees to offer substantiation of financial ability and preparedness to consummate an acquisition/merger or purchase of this magnitude. This agreement shall terminate 24 months from the effective date of the agreement below.

\_\_\_\_\_  
Company Name (Please Print)

\_\_\_\_\_  
Individual Name (Please Print)

\_\_\_\_\_  
Signature

Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

\_\_\_\_\_  
Title