

Headquarters: Midwestern U.S.

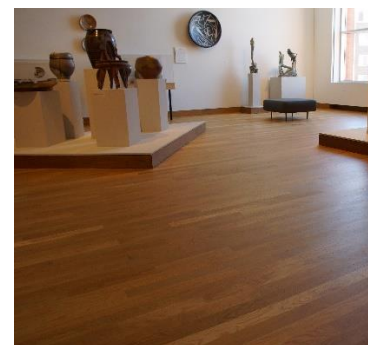
Employees: 60

2016 Revenues: \$11.8 MM

2016 Adj. EBITDA: \$875,000

BUSINESS OVERVIEW

We are pleased to offer for sale a leading manufacturer of engineered wood flooring. Engineered flooring combines an aesthetically pleasing solid wood wear layer with a multilayered substrate to create flooring with unique performance characteristics, when compared to either solid wood floors or less expensive laminated wood flooring products. Offerings range from off-the-shelf stock flooring to custom flooring involving comprehensive design and fabrication. Customers can select from a variety of unfinished surfaces, or several pre-finished products made possible by the Company's environmentally friendly, in-house, finishing equipment. The product platform marries the structural stability and environmental friendliness of an engineered floor with the appearance and durability of a solid wood floor. The result is a versatile and stable engineered wood flooring product with an unmatched reputation for quality. The Company principally serves a geographic area comprised of the contiguous U.S. (lower 48 states) and Canada. This acquisition opportunity represents the divestiture of a non-core division by a large corporate owner.



INVESTMENT CONSIDERATIONS

■ **Leading Manufacturer of Engineered Wood Flooring Products**

- The quality of materials used in the construction of the product results in unparalleled product stability, for which the Company is known.
- The Company offers a comprehensive array of product options which have been designed to be incredibly versatile to meet the entire needs of their customer base.
- The Company is not involved in, or responsible for, the installation of its products, so it operates free of any bonding requirements and has no liability for the installation of its products.

■ **Entrenched Customer Relationships with a Reputation for Service, Innovative Products and On-Time Delivery**

- Sales team members follow a well-defined customer service strategy that leverages their deep understanding of customer preferences and market trends to identify optimum product solutions for end customers.
- The Company's continuing innovation has resulted in the use of exotic woods such as Brazilian cherry, Brazilian walnut, mahogany, sapele and others.

■ **Flexible Manufacturing Capability and Focus on Best Practices**

- Products are manufactured in a modern, well-capitalized facility that was purpose-built for this operation. Advanced production technology, diamond tooling and computer-controlled raw material optimization are utilized in the manufacturing process.
- Lean Six Sigma methodologies have been implemented and core production line functions have been continually evaluated and improved.
- Significant capital investment combined with floor space for growth built into the design of the facility upon its construction results in ample capacity to support a significant increase in sales.

SUMMARY INCOME STATEMENTS FOR THE YEARS ENDED OCTOBER 31

	2014 <i>Actual</i>	2015 <i>Actual</i>	2016 <i>Actual</i>	2017 <i>Projected</i>	2018 <i>Projected</i>	2019 <i>Projected</i>
Net Sales	\$12,519,417	\$13,491,870	\$11,800,281	\$11,909,000	\$12,486,000	\$13,136,000
Gross Profit	\$848,597	\$827,707	\$1,494,163	\$1,486,000	\$1,841,000	\$1,924,000
Gross Margin	7%	6%	13%	12%	15%	15%
EBITDA, adjusted	\$479,316	\$259,595	\$875,292	\$961,000	\$1,275,000	\$1,313,000
EBITDA Margin, adjusted	4%	2%	7%	8%	10%	10%

PROCESS OVERVIEW AND CONTACT INFORMATION

PROCESS OVERVIEW

The Company is asking prospective buyers to sign a Non-Disclosure Agreement prior to receiving a detailed Confidential Information Memorandum. All communications, inquiries or requests for information regarding this opportunity should be addressed to Building Industry Advisors personnel listed below.



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