

Project Guardian

INVESTMENT OPPORTUNITY

\$80.3M
2024E Revenue

\$18.1M
2024E EBITDA

\$126.0M
Purchase Price

SPONSOR

Mitchell Capital, LLC

INDUSTRY

Industrial Products

FINANCING SOUGHT

\$110M

**additional for add-on acquisition opportunities

USE OF FUNDS

Acquisitions

TIMING

LOI Signed: 11/11/2024

Target Close: 1/31/2025

CONTACT

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OVERVIEW

Mitchell Capital, LLC (“Mitchell”) signed a letter of intent to acquire a leading manufacturer of metal storage products for \$126.0 Million. The Company’s high-quality products, manufacturing capabilities, 400+ employees, and excellent customer support provide predictable, consistent, and dependable results. The Company is a market leader in its niche boasting the strongest brand name in the category. The Company operates three manufacturing facilities in the U.S. and one in China with the option to move 100% onshore should the political and economic climate change. The primary product categories include metal lockers, industrial cabinets, and industrial shelving. The management team will remain for the foreseeable future to ensure continuity with Mitchell supporting the platform. The LOI was signed November 11, 2024 and all parties are proceeding towards a January 2025 closing.

INVESTMENT THESIS

- § **Large Market** – Addressable markets are estimated to be \$25 billion+ annually.
- § **Diversified Customer Base** – 900 customers with largest at 10% of revenue and second at 3%.
- § **Mitigated Supply Chain Risk** – 569k square feet of U.S. domestic manufacturing which could benefit from potential movements away from China.
- § **Compelling Growth Strategy** – Strong pipeline with \$25M+ backlog and several major opportunities in development with strategic partners.
- § **Consolidation Opportunity** – Several actionable acquisition targets with complementary capabilities or product lines increasing EBITDA to \$50M+ and equity need to ~\$100M.
- § **Clean Financials** – Audited financials with sell-side Quality of Earnings completed.
- § **Significant Rollover** – Proposing Seller’s maintain 30% ownership at contemplated cap structure.

FINANCIAL SUMMARY

FYE 12/31	2021	2022	2023	2024P	TRANSACTION SOURCES			
					(\$000' s)	\$ Amt	% of Total Equity	EBITDA X 2024P
Revenue	\$ 64,490	\$ 78,965	\$ 72,563	\$ 80,309	Rollover	\$ 20,000	16% 30%	1.1x
Growth	6.1%	22.4%	-8.1%	10.7%	Equity Investor	46,000	36 70%	2.5
COGS					Equity Equity	66,000	% 100%	x
Gross Profit	48,330	53,666	43,754	49,010	Debt	63,000	49%	3.6
% Margin	16,160	25,298	28,809	31,299	Total Sources	\$129,000	100%	7.1x
	25.1%	32.0%	39.7%	39.0%	TRANSACTION USES			
G&A					(\$000' s)	\$ Amt	%	EBITDA X 2024P
EBITDA	11,535	13,253	12,816	13,154	Equity Rollover	\$ 20,000	16%	1.1x
% Margin	\$ 4,625	\$ 12,045	\$ 15,994	\$ 18,145	Cash to Sellers	106,000	82	5.8
	7.2%	15.3%	22.0%	22.6%	Purchase Price	126,000	98%	6.9x
Multiple				6.9x	Fees & Expenses	3,000	2%	0.2x
VALUATION				\$ 126,000	Total Uses	\$129,000	100%	7.1x