

CONFIDENTIAL INFORMATION MEMORANDUM

Acme Manufacturing Solutions, Inc.

A Leading Provider of Precision Manufacturing Services

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CONFIDENTIAL - FOR QUALIFIED BUYERS ONLY

EXECUTIVE SUMMARY

Acme Manufacturing Solutions, Inc. ("Acme" or the "Company") is a well-established precision manufacturing business serving the aerospace, automotive, and medical device industries. Founded in 2010, the Company has built a reputation for high-quality custom components and assemblies.

Key Highlights

- Revenue (TTM): \$8.5M
- EBITDA (TTM): \$1.2M (14% margin)
- 15-year operating history with consistent profitability
- Diversified customer base with no single customer >15% of revenue
- Strong recurring revenue from maintenance contracts (~40% of revenue)
- Owner-operated with 2 key managers (5+ years tenure each)
- Located in Austin, Texas with 12,000 sq ft facility on 5-year lease

BUSINESS OVERVIEW

Company Description

Acme Manufacturing Solutions specializes in precision CNC machining, fabrication, and assembly services. The Company operates a modern facility equipped with 15 CNC machines, quality control systems, and assembly capabilities.

Products & Services

- Precision CNC Machining (60% of revenue)
- Custom Fabrication (25% of revenue)
- Assembly & Integration (10% of revenue)
- Maintenance & Service Contracts (5% of revenue)

Markets Served

The Company serves three primary end markets:

- Aerospace: 45% of revenue - components for commercial and defense applications
- Automotive: 35% of revenue - precision parts for Tier 1 suppliers
- Medical Devices: 20% of revenue - FDA-compliant components

FINANCIAL PERFORMANCE

Revenue History

Year 2022: \$7.8M

Year 2023: \$8.1M (+3.8%)

Year 2024 (TTM): \$8.5M (+4.9%)

EBITDA Performance

Year 2022: \$1.05M (13.5% margin)

Year 2023: \$1.15M (14.2% margin)

Year 2024 (TTM): \$1.2M (14.1% margin)

Adjusted EBITDA

Reported EBITDA (TTM): \$1.2M

Addbacks:

- Owner compensation normalization: \$150K
- One-time legal expense: \$25K
- Discretionary marketing: \$30K

Total Addbacks: \$205K

Adjusted EBITDA: \$1.405M

Working Capital

Typical working capital requirements: \$400K - \$500K

AR Days: 45 days average

AP Days: 30 days average

CUSTOMER BASE & CONCENTRATION

Customer Diversification

The Company serves 45 active customers with the following concentration:

- Top 3 customers: 38% of revenue
- Top 5 customers: 52% of revenue
- Top 10 customers: 68% of revenue

Customer Retention

- Average customer tenure: 6.5 years
- Annual customer retention rate: 92%
- Recurring maintenance contracts: 18 customers (40% of revenue)

Key Customers

Customer A: 15% of revenue - 8-year relationship, annual contract

Customer B: 13% of revenue - 5-year relationship, quarterly orders

Customer C: 10% of revenue - 12-year relationship, maintenance contract

OPERATIONS

Facility

- Location: Austin, Texas
- Size: 12,000 sq ft manufacturing facility
- Lease: 5-year lease expiring 2027, \$8,500/month
- Condition: Well-maintained, modern equipment

Equipment

- 15 CNC machines (mix of 3-axis and 5-axis)
- Quality control lab with CMM and inspection equipment
- Assembly area with 5 workstations
- Estimated equipment value: \$2.5M

Employees

- Total employees: 28
- Production staff: 20 (average tenure: 4 years)
- Management: 3 (including owner)
- Support staff: 5

MANAGEMENT & SUCCESSION

Current Management

Owner/CEO: 15 years with company, handles sales and strategy

Operations Manager: 6 years with company, manages production

Quality Manager: 5 years with company, handles QC and compliance

Succession Planning

The Operations Manager and Quality Manager have been groomed to take on additional responsibilities. However, the owner remains heavily involved in customer relationships and sales, representing a moderate succession risk.

GROWTH OPPORTUNITIES

- Expand into adjacent markets (marine, industrial equipment)
- Increase capacity utilization (currently ~75%)
- Add value-added services (design, prototyping)
- Pursue larger contracts with existing customers
- Leverage relationships to cross-sell services

RISK FACTORS & CONSIDERATIONS

- Owner-dependent customer relationships require transition planning
- Customer concentration in top 5 customers (52% of revenue)
- Lease expires in 2027 - renewal terms to be negotiated
- Cyclical nature of aerospace and automotive markets
- Working capital requirements vary with order flow
- Quality certifications (AS9100, ISO 9001) must be maintained

DEAL TERMS & STRUCTURE

Asking Price

\$4.5M (3.75x Adjusted EBITDA)

Transaction Structure

- Asset purchase preferred
- Seller financing available: up to 20%
- SBA financing eligible

Due Diligence Requirements

- Financial statements (3 years)
- Customer contracts and agreements
- Lease documentation
- Equipment appraisals
- Quality certifications
- Employee agreements
- Environmental assessments