

## Leading Manufacturer of Stencils for PCB Industry.

Full production capability up to state of the art high tech delivered from several nationwide facilities in several time zones.

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Est. 2005 Sales: \$7,000,000

Est. 2005 EBIT: \$1,392,000

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- **Technologically advanced facilities:** Our client's facilities feature a myriad of capabilities, including chemically milled stencils, laser cut stencils, precision electroform chemical etching, CAM scanning and laser photo plotting.
- **Favorable market trends:** The continued digitization of American industrial processes, office equipment, appliances and consumer electronics will be a major factor driving future industry sales. *PCB's are continually changing mandating new stencils*
- **National reach:** The Company's customers are located in all regions of the U.S., with four satellite facilities strategically placed to meet local clients' needs for same- day service. No cut off time for customers.
- **Broad customer base:** With over 700 accounts, and no one "major" customer, the Company is not exposed to negative consequences from a downturn in a single customer's business.
- **Repeat customers:** The Company enjoys a high level of repeat business, with about 80% of revenue generated by repeat customers. Limited historic sales efforts leave ample room for growth.

**For further information regarding Client # M1633 please contact:**

**eMerge M&A**

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### Business Summary

Founded in 1984, the Company is a full-service manufacturer for the printed circuit board assembly industry, specializing in solder paste stencils. Revenues are derived from stencils (70% of revenue), metal parts (6%), scanning (4%) and other services as well as photo plotting (14%) and computer-aided manufacturing (CAM) services (4%).

The main facility encompasses 30,000 square feet and features full-service capabilities, including chemically milled stencils, laser cut stencils, precision chemical etching, CAM scanning and laser photo plotting. The Company also operates four satellite facilities to meet the needs of regional clients requiring one-day turnaround service. The combined facilities can support a sales volume of approximately \$11 million.

Our client serves printed circuit board assemblers, medical device manufacturers and defense contractors throughout the Northeast (49% of revenue), Southeast (25%), West Coast (20%) and other U.S. locales (6%). A diversified customer base of over 700 accounts includes long-term relationships with blue chip customers. Sales efforts have been limited and the Company markets itself through referrals, brochures, a dedicated sales team, manufacturer's reps and a website featuring online ordering and order tracking capabilities.

#### **Adjusted Historical and Five-Year Projected Statement of Income <sup>(a)</sup>** For the Fiscal Years Ended December 31 (\$000)

	Historical			Est.	Projected				
	2001	2002	2003	2004	2005	2006	2007	2008	2009
Sales	6,052	6,536	5,813	6,500	7,000	7,500	8,000	8,500	9,000
EBIT <sup>(b)</sup>	1,052	1,088	1,086	1,163	1,392	1,675	1,840	2,010	2,185
% of Sales	17.4%	16.6%	18.7%	17.9%	19.9%	22.3%	23.0%	23.6%	24.3%

(a) See Schedule 2 in the Financial Analysis section for more detail

(b) Earnings before Interest and Taxes

(c) See Schedule 3 in the Financial Analysis section for more detail

#### **Adjusted Balance Sheet <sup>(c)</sup>** As of December 31, 2003 (\$000)

Current Assets	1,143	Current Liabilities	922
Net Fixed Assets	520	Non-Current Liabilities	0
Other Assets	1	Equity	741