

ACQUISITION OPPORTUNITY

Manufacturer
Automated "CNC" Industrial Equipment

STRONG BRAND / SUPERIOR REPUTATION
LEVERAGING TECHNOLOGY STRENGTH
MARKET LEADER
INNOVATIVE PROGRAMS WITH ENORMOUS POTENTIAL

WHY SHOULD A STRATEGIC ACQUIRER

LOOK AT THIS OPPORTUNITY?



2012 Revenue - \$21.2MM

Location – Midwest

2012 EBITDA - \$3.1MM

THE COMPANY IS A MANUFACTURER OF "CNC" INDUSTRIAL EQUIPMENT USED IN A WIDE VARIETY OF INDUSTRIES TO CUT AND SHAPE THOUSANDS OF PARTS AND PRODUCTS. PRIMARY END-MARKETS INCLUDE CABINETRY, PLASTICS, WOODWORKING, AEROSPACE, AND COMPOSITES.

◆ DOMESTIC MARKET LEADER ◆

THE COMPANY is the domestic market leader with an estimated 20% market share, strong brand recognition, offering its customers a wide range of technologically superior equipment and unparalleled customer support. THE COMPANY markets its products globally through a network of international and domestic dealers in 42 foreign countries.

◆ STRONG TECHNOLOGICAL CAPABILITIES ◆

THE COMPANY has consistently invested significant capital and resources in research & development programs and presently owns or controls 65 domestic & international patents with 7 additional domestic patents pending. Management believes THE COMPANY to be the low cost producer in the industry.

◆ LEVERAGING TECHNOLOGICAL ADVANCES ◆

THE COMPANY is leveraging its technological advances to create competitive advantage and to penetrate new end-market applications & opportunities for its equipment. THE COMPANY now builds very large, highly accurate machines for the aerospace, defense and composites industries.

◆ SIGNIFICANT RECURRING REVENUES ◆

THE COMPANY has a large installed base of its equipment around the world and generates a significant amount of high-margin recurring-revenues by offering technical services to its existing customers. Service revenue has averaged 35% of total revenue with gross margins approaching 60%!

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◆ EXPERIENCED MANAGEMENT TEAM ◆

During the past recession, THE COMPANY's skilled management team was adept at reducing costs while maintaining its core technical competency and aggressively marketing over a dozen promising new markets for its equipment. THE COMPANY has been profitable in all but one of the past ten years.

◆ UNIQUELY POSITIONED FOR HOUSING RECOVERY ◆

THE COMPANY is uniquely positioned to benefit from the recovery in the housing markets. Housing driven woodworking & cabinetry had been THE COMPANY's largest end-market and today they are well positioned with newer, faster, lower cost machines specifically designed for that market.

◆ INNOVATIVE PROGRAMS WITH ENORMOUS POTENTIAL ◆

THE COMPANY has combined its software, machine control, and internet technologies to create a revolutionary way to manufacture and sell furniture. THE COMPANY's "disruptive technology" targets the \$45Bn home & office furniture markets with an innovative "distributed manufacturing" model that promises to deliver high quality, competitively priced, "mass customized" furniture.

One-half of 1% of this market could generate \$40 Million of additional profits for the Company!

◆ Financial Highlights ◆

<i>FYE July 31st</i>	2010	2011	2012	2013PF	2014PF	2015PF	2016PF	2017PF	2018PF
Revenues	14,002	17,900	21,214	21,960	24,480	26,960	29,290	31,230	32,990
% Growth	N/A	27.8%	18.5%	3.5%	11.5%	10.1%	8.6%	6.6%	5.6%
Gross Profit	6,050	7,770	9,348	9,566	10,725	11,879	13,198	14,104	14,931
% Margin	43.2%	43.4%	44.1%	43.6%	43.8%	44.1%	45.1%	45.2%	45.3%
Operating Expenses	4,597	5,395	6,223	6,479	7,161	7,827	8,448	8,959	9,417
EBITDA	1,453	2,375	3,125	3,087	3,564	4,052	4,750	5,145	5,514
% of Revenues	10.4%	13.3%	14.7%	14.1%	14.6%	15.0%	16.2%	16.5%	16.7%