

Acquisition Opportunity

Event Rental Equipment

2022

For more information, please contact:

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**THIS SUMMARY DOES NOT CONSTITUTE AN OFFERING
TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITY**

Executive Summary

Purpose

Waypoint Capital, LLC (“Waypoint”) has prepared this Acquisition Opportunity to assist interested parties in determining their interest in pursuing a potential acquisition of the Company. This Acquisition Opportunity is in no way an offering to buy or sell any securities associated with or pertaining to the Company.

Inquiries and Next Step

Waypoint is acting as the Company’s exclusive advisor, and its fees are paid entirely by the seller. Accordingly, please note that all inquiries and follow-up must be coordinated through Waypoint and its representatives. All parties who are interested in pursuing this transaction should contact Waypoint at the contact information provided on the cover. Upon your request, we will provide a Non-Disclosure Agreement to you. Once we receive the signed agreement, we will be able to disclose the name of the Company and provide you with a full memorandum.

The Company

Based in the Inland Northwest, the Company is a rental center offering event equipment and supplies, including but not exclusive to: canopies, chairs, tables, linens, and decorations for large and small events. The 50-year-old Company is a retail storefront and additional warehouse and storage facilities offering excellent customer service to the residential and commercial community. The Company is well known, established, and has many repeat customers.

Facility

This Inland Northwest Company has a primary location consisting of warehouse, retail storefront, service center and storage that is 3,248 square feet and additional storage and warehouse locations consisting of 3,175 square feet with laundry facilities and storage space. All facilities are currently leased by the Company and are owned by a third party and renewed annually. There are no foreseen issues with the transferability of the leases.

Financial Profile

The Company's 2021 revenues were \$273,075, netting adjusted Earnings Before Interest Taxes and Depreciation (EBITDA) of \$5,833. Revenue and profitability increased consistently from 2017-2019 and then decreased due to the global pandemic. Management expects revenues and profitability to remain consistent in 2022 with that of 2021.

Normalized Historical and Pro Forma Income Statement As of December 31

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Company Sales	\$343,231	\$434,898	\$546,548	\$326,500	\$273,075
% Growth	N/A	26.71%	25.67%	-40.26%	-16.36%
COGS	23,201	17,697	45,012	7,311	4,902
% of Sales	6.76%	4.07%	8.24%	2.24%	1.80%
Adjusted EBITDA	80,520	101,667	127,210	6,093	5,833
% of Sales	23.46%	23.38%	23.28%	1.87%	2.14%

Balance Sheet (at estimated Fair Market Value) As of December 31

Current Assets	\$22,092	Current Liabilities	\$101,056
Net Fixed Assets	813,892	Non-Current Liabilities	81,121
Other Assets	0	Equity	653,807
Total Assets	<u>\$835,984</u>	Total Liabilities and Equity	<u>\$835,984</u>

COVID Response

The global pandemic has had a negative impact on the Company. The industry was not deemed an essential business, and its reliance on the ability to host large gatherings created caused instability in employment and revenue. Some employees were able to remain employed during the national unemployment crisis; no additional seasonal employees were needed.

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What It Does

The Company was incorporated in 1980 in the state of Washington. The Company serves customers locally in the residential and commercial service industry. There are no additional stockholders, nor do any individuals own or otherwise possess any rights, options, or other ownership rights in the Company.

Competition

The Company is the only full-service event rental company within 40 miles and has been a reliable business for the surrounding hotels, wineries, and restaurants.

Growth and Expansion

The Company is well established with dependable employees and suppliers. With appropriate sales knowledge, energy, and manpower, the Company has the potential to expand sales and revenues beyond its current customers. The Company has ample opportunity for growth by engaging the wine, hotel and restaurant service industry and growth to outlying areas.

Strengths

- Well established with a great reputation in the community
- Well-trained, competent staff
- Strong returning customer base within the service industry
- Readily available equipment and warehouse space

Challenges

- The Company is dependent on the service industry and tourism
- General management and financial oversight will be necessary following a transaction
- The minimum wage increase could negatively affect profitability

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Reason for Sale

After many years of work and success, the owner wishes to divest the Company and plans to pursue other ventures. The owner is willing to assist for an agreed-upon time to help with the transition process.

Next Steps

If you are interested in discussing this opportunity further, please email Scott Martin at smartin@waypoint-capital.com.

We will provide you with an Investigation and Non-Disclosure Agreement for your review and signature. Upon receipt of the signed agreement, we will then provide you with a complete narrative, document support, and financial statements.