

L.B.C. Consulting Services

6693 Thimens Boulevard
Ville St-Laurent, QC
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For sale - A niche manufacturing company operating in household products

Our client is a private Canadian company sourcing and assembling a range of household products for the Canadian market, primarily branded products and some own label products. Components for around 180 SKUs, ranging from mops and brushes to scouring pads and sponges, are sourced from China, Europe and North America, as well as locally based plastic molding companies using molds owned by our client. Many products are assembled using in-house bristling machines or local sub-contract assembly centers.

Our client's main customer is a well known branded company representing around 90% of its sales. The branded products are shipped directly to major retailers through our client's distribution operation.

Although, on the surface, the concentration of sales may look risky, it is important to highlight the fact that our client owns the machines and tools for the majority of the line. If for any reason the branded company decides to vacate the market, then it would be left for our client to step in and fill the void, at higher margins, as the mark-up realized by the branded company (53% +) would add to the profitability of our client. Our client would simply replace the existing line with identical and/or improved products.

Year Established: October 2002 – financial year end December 31st

Locations: One leased facility in Greater Montreal – 20,000 sq. ft. with three more years left on the lease.

Sales: Approximately C\$4 million per annum

Profit: Generates approximately C\$1million EBITDA per annum

Number of Employees: 6 full time employees including the two owners and contract workers that varies depending on workload.

Industry Focus: Household products

Shares Ownership/Control: Two shareholders – 50/50 ownership

Financial Statements: Financial statements are available and are prepared by Raymond Chabot Grant Thornton.

Type of sale: Share sale or asset sale – the owners are wishing to retire but are willing to stay on in the business for a reasonable time frame (up to one year) to ensure an orderly hand over.

For more details about this opportunity please contact Michael Granshaw at (514) 694-7589

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