




Business Overview

RE: Manufacturer of Concrete Water Tanks: 620+ International Retail Locations

Specifications

 Price \$900,000	 Revenue \$2,241,017	 Cash Flow \$271,839
 Equipment \$512,248	 Inventory \$598,942	 Down Payment 15%
 Location United States (Nebraska) and Canada (Alberta)	 Account Receivable \$313,861	 Service Area All of North America
 Reason for Sale Retirement	 Industry Manufacturing/Fabrication	 Employees Fully Staffed in both locations



SUMMARY OF THE BUSINESS –

Seller is willing to train for up to 2 years (if desired) to ensure a smooth transition. With a proprietary concrete

formulation of 9,000 PSI, this business has carved a niche in the market for feedlots, cow/calf operations, zoos, and oilfields looking for a superior, hardy product to water their animals. Stocked in over 620 retail locations between Canada and the U.S., the products are manufactured at their Nebraska plant and distributed across North America. There are offices in each country, with sales and management staff in place that are equipped to handle cross border documents and transactions.

Over 50% of sales are throughout retail stores in North America, with the majority of the remaining sales made up through direct sales to feedlots and cow/calf operations. No one customer/distributor makes up more than 10% of sales, and this company is the exclusive distributor for the largest rodeo equipment manufacturer in the world!

Already established in Canada, a new owner would save millions and shorten the 5-year learning curve required to get up and running in Canada. Knowledgeable staff can handle Canadian taxes and payroll, and having a Canadian location opens up business with Canadian oilfields that are rapidly growing and can profit 3x what can be made just servicing agribusiness.

Proprietary products are used by both large and small operations, making it the most effective water tank in North America. A new buyer assumes ownership of concrete forms, tools, equipment, inventory, A/R, trademarks and vehicles totaling over \$1.4M – allowing the bank loan to be fully collateralized!

Business Highlights

- Established 18 years in Canada, 11 years in the United States
- Products manufactured in Nebraska and shipped all over North America
- 50% of sales are through the 620+ retail distributors in Canada and the United States
- No one customer makes up more than 10% of sales
- Stock sale ensures the ability for a new owner to maintain import/export rights
- 5,000 – 6,000 water tanks made per year
- Huge growth potential in product diversity and a 10-year vision the sellers are willing to share!

Financial Highlights

- List Price: \$900,000
- 2016 Gross Sales: \$2,241,017 (*combined US and Canada*) ****this is reflected in the Cash Flow Analysis**
- 2 Year Average Cash Flow: \$271,839 (*combined US and Canada*) **section to follow**
- Inventory of \$598,942 combined
- Over \$1.4m worth of assets included in the purchase
 - \$425,094 in Equipment
 - Concrete forms ranging from 5 gal to 320 gal, tools and more!
 - \$87,154 in Vehicles
 - Cement trucks, pickups, trailers and a truck box

- Inventory worth \$493,608 between Canada and the United States
- A/R worth \$313,861 between both offices
- Intangible Assets
 - Proprietary concrete blend and water agitator
 - Established import/export privilege
- Trademarks – they stay with the company!
 - 3 trademarks in Canada
 - 2 trademarks in the United State

**amounts may vary*

Please note: Buyer will assume \$288,671 in A/P

2017 Work in Progress and Signed Contracts: \$1,075,384

A Brief Overview

We formed this company to create an outlet for our expertise in manufacturing, wholesale sales and retail sales. Our feeling from the start is that the people in this world that have the most to benefit from the internet are rural people that can't just jump in a vehicle and go get what they need or shop for it properly.

We have our own product which we have developed over 30 years, and we supply North America's largest feed yards, dairies, ranch operations, wildlife parks and zoos.

In addition, we are a very large supplier of wholesale products and have our line in a few hundred ag retail stores in Canada and the USA. Our company is the only company that has taken the time to develop a proper retail sales program for replacement parts which go in livestock water tanks, bowls, troughs and any homemade livestock watering system.

The Canadian Advantage

- The cost of establishing business in Canada can be a 5-year learning curve and cost millions of dollars
- Stock sale ensures the ability for a new owner to maintain import/export rights
- Canadian location is in the middle of Canada's ag industrial activity
- Automatic leg up for Canada-based company bids

- Staff in place to handle cross border issues, work visas, and import/export, banking, accounting
- Have a working relationship with Canadian oilfields that have concrete storage facilities, and they pay a great deal more to have them serviced by ag people!

Cash Flow Analysis

Description of Financial Statement	Tax Return Combined US & Canada	Tax Return Combined US & Canada	Tax Return Combined US & Canada	Tax Return Combined US & Canada	Notes
	2016	2015	2014	2013	
GROSS SALES	\$2,246,739	\$2,783,672	\$2,995,665	\$2,980,850	
% Change Over Prev. Year	-19.29 %	-7.08 %	0.50 %		
Net Income Shown on Financial Statement	\$55,924	\$157,676	\$92,515	\$141,653	
ADDBACKS					
Compensation to Owner	\$86,400	\$92,800	\$79,200	\$36,600	Per W-2 & T4 (Canada)
11% Tax on Total W2 Salaries & 5% for Canada	\$8,064	\$7,664	\$6,984	\$2,646	
Interest on Debt	\$7,452	\$9,016	\$10,983	\$20,640	Non-onward going expense
Interest on Grant	\$275	\$644	\$918	\$1,188	Grant through Nebraska town for growth
Bank Interest	\$24,916	\$31,829	\$33,454	\$15,753	Non-onward going expense
Depreciation	\$2,441	\$0	\$12,544	\$45,514	
Auto Gas & Oil	\$9,089	\$16,462	\$18,087	\$17,208	
Owner's Health/Life/Auto	\$7,331	\$9,292	\$10,817	\$10,212	\$278/mo (\$3,336/year)
Contributions/Donations	\$150	\$2,250	\$2,675	\$2,098	
Non-Business Telephone	\$2,400	\$2,400	\$2,400	\$2,400	Personal cell payments/\$200 per month
Leasehold Write Off	\$21,923	\$0	\$0	\$0	
Rent	\$-6,000	\$-6,000	\$-6,000	\$-6,000	Onward-going rent at \$6,000/year
Owner's Consult Fee	\$-45,000	\$-45,000	\$-45,000	\$-45,000	2-year agreement (paid through US Entity)
TOTAL ADDBACKS	\$119,441	\$121,357	\$127,062	\$103,259	
Seller's Cash Flow = Total Addbacks + Net Income	\$175,365	\$279,033	\$219,577	\$244,912	
Profit Margin	7.81 %	10.02 %	7.33 %	8.22 %	

- 2-year average cash flow of \$286,715
- The Grant Interest through the US entity is due to a grant awarded by the Nebraska town that is home to the company's plant, and was awarded to help increase growth
- Current owner is paid through the US entity and will negotiate a consultant fee for 2 years – owner is a seasoned salesman and a veteran of the trade show scene

Customers

Wholesale Supply:

- The majority of the client base is wholesale purchasers
- Orders from these sources are poured, drop-shipped and received by the client within a 2-week period
- Retail locations are net 45 day for accounts receivable
- Stocked in a few hundred retail stores in Canada and the US
 - Cabela's – 66 stores
 - Mid States Distributing – 750 stores
 - Wheatbelt – 364 stores
 - Runnings – 5 stores
 - United Farms of Alberta Co-Op – 32 stores
 - Federated Co-Op – 350 stores
 - Independent dealers - 72
- Exclusive Distributor for the largest manufacturer of cattle, equine and rodeo equipment in the world!



The remaining client sales are direct to consumer:

- North America's largest feed yards, dairies and ranch operations (from goats to horses)
- Wildlife parks and zoos (elephants, rhinos, musk ox, hippos, buffalo, etc.)

** These customers are usually supplied directly or through retail distribution centers.*

Sales Percentages by Customer Type:

- Retail Locations – 50%
- Feedlots – 27%
- Cow/Calf Operations – 14%
- Trade Shows – 5%
- Oilfields – 3%



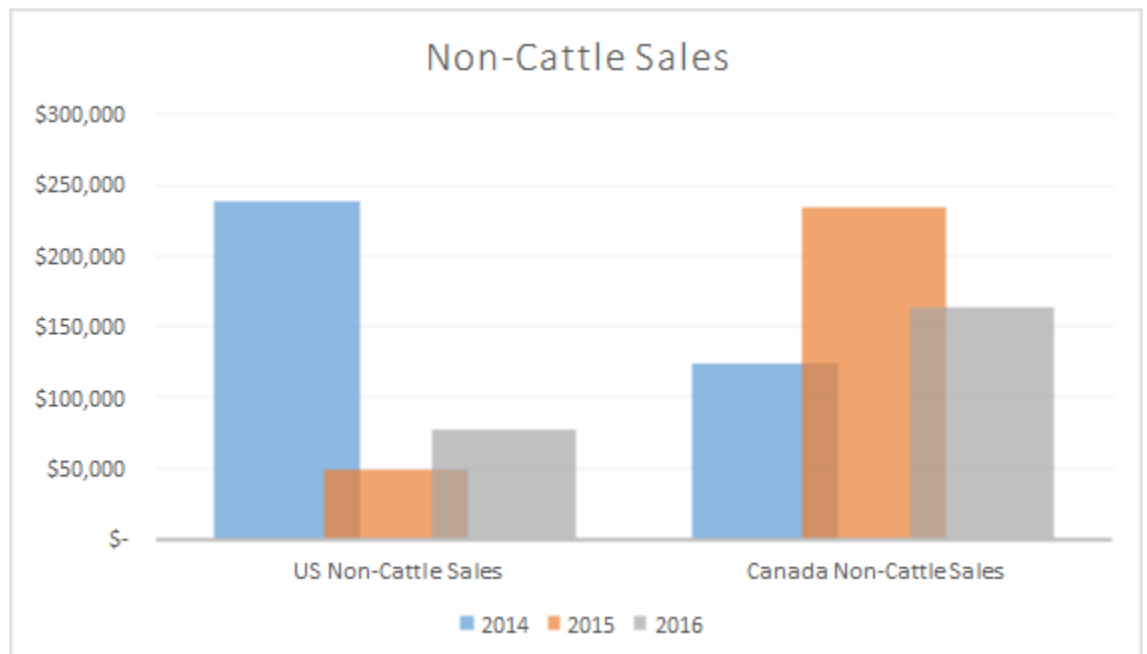
- Zoos & Wildlife Parks– 1%

Sales Analysis

- Average 2016 sales
 - Internet - \$200
 - Parts - \$60
 - Water tanks - \$1,000

US Non-Cattle Sales Clients:

- Balzer
- Nuhn
- Hydro
- Koca
- VTI
- Better Air



Canada Non-Cattle Sales Clients:

- Nuhn
- Temple Tag
- Chrystal Springs Koca
- Monoflo
- Valco
- Better Air

Assets

- Vehicles (\$87,154)
 - Cement Truck – 2

- Chevy 1500 Pickup
- Dodge Truck
- Trailers - 3
- Truck Box
- Tools and Equipment (\$87,971)
 - Air compressors, saws, hammer drill, fuel stand, crane & trolley, spreader beam, paint sprayer and more!
- Office Equipment (\$18,892)
 - Computers, scanners, furniture and display equipment
- Concrete Forms (\$318,321)
 - Forms ranging from 5 gallons to 210 gallons



Concrete Water Tanks

- **The Special Process:**
 - Air entrained concrete – produces microscopic air pockets that allow any moisture in the concrete to expand and contract in these pockets and not the concrete itself
 - Makes for a super strong hull that can weather the freeze/thaw cycle without cracking (can withstand -50 Fahrenheit)
 - Precast hulls made from steel reinforced, 6000 PSI, sulfate-resistant concrete
 - Bowls are epoxy coated and provide chemical protection from sodium, manure, acid and silage
 - Heavy gauge stainless steel used on valve cover, service door, ball float and all hardware
- **The Concrete Recipe:**
 - The average concrete/Redi-Mix PSI is 1500, but this company's proprietary blend is 9000+ PSI

- The PSI recipe is only known by 3 people: the two current owners and the concrete mixer who is under strict confidentiality
- The formulation recipe is held in a safe deposit box
- The business owns 2 concrete trucks which are batched twice a day, and the staff tests every other batch to ensure accuracy

- **Proprietary Coating:**

- typical coating is power or spray, but this company does something different
- 6 -step process
 - 2 coats of proprietary blend
 - Shine spray
 - Spotting spray to hide future blemishes
 - Dry for 2 days
 - 1 day for electrical
 - Shipped out on pallets – 2 pallets shipped each week

- **Auto Flow System:**

- keep your continuous flow livestock water bowl from freezing
- New auto flow system can be added to any waterer with or without a new valve
- No adjustments to make; brass and steel components
- No Petcocks to seize or valves to set

- Dual system monitoring air temperature under the hood and a separate sensor to monitor water temperature

To receive a full financial package and specific information regarding this business:

1. Complete the Qualified Buyer Documents (Non-Disclosure Agreement and Buyer Questionnaire) [on our website](#) or print, scan and return the attachments to info@TheFirmB2B.com
2. Call The Firm Business Brokerage at 402.998.5288 to schedule an appointment or conference call with a Broker.

The Firm currently has over 90 cash flowing businesses available. If you find that this is not a fit for you, please let us know and we would be happy to provide you with other opportunities.

The Firm makes no warranties or representation in consideration to the information provided above. All communication regarding this business must occur directly with The Firm Brokerage, LLC.