

# ACQUISITION OPPORTUNITY

## PROJECT BUFFALO (“the Company”)

An established transportation and logistics solutions Company, offering services across the UK.

Kroll has been retained as exclusive financial advisor for the Company. All communications, enquiries and requests for information should be addressed to the following Kroll professionals:

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### Business Overview

- Founded in 1997, Project Buffalo has grown progressively since its inception and now provides BRC certified transportation and warehousing services.
- The Company offers a diverse range of warehousing and logistical services including inventory management, stock reworking, product manipulation and returns management, providing customers with a single source of supply chain expertise.
- Project Buffalo’s primary operating site is a 45,000 sq. ft. leasehold premises located near Junction 27 of the M25 with capacity to store c.4,250 pallets and easy access to London Gateway and Tilbury, with an annual rental charge of £550k p.a.

### Key Investment Highlights

- The Company specialises in the logistics of food and drink and has an established a new strategic partnership with a large grain and cereals wholesaler in the UK.
- The strategic partnership provides the opportunity secure a full range of haulage services including container transport, storage, and general haulage servicing the customers supply chain.
- The Company has a fleet of 15 leasehold vehicles including one 26 tonne rigid body, one 18 tonne rigid body and 13 new cabs at a weekly cost of £7.5k.
- The Company also owns 17 curtainsider trailers and leases a further 11.
- Project Buffalo has 21 highly trained staff including 14 drivers, robust IT systems and strong strategic partnerships which allow the Company to meet the specific needs of their customers.
- The Company’s Transport Manager will be retained within the business and holds the required Certificate of Professional Competence to compliment a purchasers Operating Licence.
- The Company’s 45,000 square foot warehouse allows for value enhancing warehousing and logistics services, such as:
  1. Inventory management services;
  2. Container loading, unloading and cross-dock operations;
  3. Customer-specific barcode label warehousing with customer online access to stock and system reporting by email, EDI and web links;
  4. Late cut off times enabling customers to optimise sales and achieve next-day delivery; and
  5. Personalised packaging designed for their customer’s products to contribute to the buying experience.
- A secure facility that is customer focused and can provide short term and long-term storage solutions to start-ups up to large corporates;

### Expressions of Interest

- Expressions of interest should be received no later than 22 March 2024.

### Summarised Profit & Loss

Period Ending Oct-XX	FY22	FY23	FY24	FY25
£'000	10m	Actuals	Forecast	Forecast
Revenue	3,594	4,426	3,857	3,972
Cost of Sales	(2,220)	(2,755)	(2,399)	(2,471)
<b>Gross Profit</b>	<b>1,374</b>	<b>1,671</b>	<b>1,458</b>	<b>1,502</b>
Gross Margin	38%	38%	38%	38%
Overheads	(1,158)	(1,074)	(1,270)	(1,308)
EBITDA	216	597	188	194
Profit Before Tax	195	409	67	69

### Summarised Balance Sheet

Year End Oct-XX	FY23
£'000	Actuals
Fixed Assets	355
Current Assets	6,175
<b>Total Assets</b>	<b>6,529</b>
Current Liabilities	(3,978)
Non-current Liabilities	(116)
<b>Total Liabilities</b>	<b>(4,093)</b>
<b>Equity</b>	<b>2,436</b>

### Financial Performance Overview

- Management have forecast a margin decrease in revenues following outperforming budget in FY23. Revenues in FY24 are forecast on the assumption of the Company’s original FY23 budget, albeit the forecast does not factor in the complete onboarding of the new strategic partnership.
- Management believe there are opportunities to improve margins through increased warehousing and handling rates, and charge for additional services including container handling.
- Overheads as a percentage of revenue are forecast to increase by 8ppts from FY23 to FY24 predominately due to material increases in rent, utilities, bank charges / interest and management fees.
- Fixed assets primarily comprise £138k of leased motor vehicles and £115k of fixtures, fittings and equipment.
- Current assets primarily include a £4.9m irrecoverable intercompany debtor and £1.6m trade debtors.