

KROLL

ACQUISITION OPPORTUNITY

PROJECT WHITE (“the Company”)

PRINT SOLUTIONS BUSINESS

Kroll has been retained to seek an investor or a purchaser for the Company or business and assets of the Company. All communications, enquiries and requests for information should be addressed to the following professionals:

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To find out more about Kroll Advisory Ltd and other businesses available for sale visit www.kroll.com/en-gb/services/restructuring-advisory

BUSINESS DESCRIPTION

The Company is an established large format and general print business which operates from leasehold purpose built premises in Wales employing over 100 staff. It operates in four primary markets; Retail, Outdoor, Venues & Events, and Fleet, selling direct to customers and through Print Management companies.

The Company has historically been profitable; however, a decline in in house print sales during covid, which was replaced by incremental non-print project work has reduced the Company's margins and it has also encountered cash flow difficulties as a consequence of cost increases, labor challenges and supply chain disruptions. The Company is currently in the process of agreeing price increases with its customers, undertaking cost reduction plans and has a strong pipeline of work and expects a stronger H2 2022. However, it will require further funding to achieve this.

KEY INVESTMENT HIGHLIGHTS

Comprehensive Service Offering

- The Company provides end to end print solutions by leveraging the experience of its in-house production team and strategic relationships with a dedicated creative consultancy and fitout teams based around UK providing onsite support from audit to install.
- Scalable print team with 24-hour production capability means that customers benefit from responsiveness and accessibility to same-day print if required.
- Strong project management capability that supports retail and store-based customers to design and rollout rebranding, refurbishment, and merchandising initiatives.

Customer Relationships

- Operating in diverse markets, the Company holds longstanding customer relationships with some of the largest and well known brands in the UK
- Strong pipeline of work and several substantial sales opportunities

State of the Art Technology

- The Company has a fleet of high-quality presses along with the latest in print production workflows allowing broader product offering and increased capacity.
- Focused on providing customers with sustainable options, the Company is renowned for its innovation in sustainable substrates and is leading the way in PVC- free materials and offers coatings that improve air quality. The business is striving to achieve Net Zero by 2025.

Experienced Management Team

- Strong management team with years of extensive knowledge and deep insights into the dynamics of the print industry

EXPRESSIONS OF INTEREST

All interested parties must send their final offers to Kroll by 12pm on Thursday 14 July 2022. All offers must be supported by proof of funding

FINANCIAL HIGHLIGHTS

Balance Sheet	FY20 Audited £'000	FY21 Mgmt £'000	May-22 Mgmt £'000
Fixed Assets			
Freehold Property	20	15	11
Plant & Machinery	2,524	2,645	2,398
IT Equipment and Fixtures & Fittings	22	15	24
	2,566	2,675	2,433
Current Assets			
Stock	965	803	640
Trade Debtors	3,029	2,900	2,566
Other Debtors inc Intercompany	46	(645)	(696)
Cash (Bank and in hand)	227	205	64
	4,267	3,263	2,574
Current Liabilities	(4,988)	(5,917)	(5,750)
Net Current assets / (liabilities)	(720)	(2,654)	(3,176)
Non current Liabilities	(1,768)	(2,104)	(2,025)
Net assets / (liabilities)	78	(2,083)	(2,768)
Profit & Loss	FY20 Audited £'000	FY21 Mgmt £'000	*FY22 YTD Mgmt £'000
Turnover	11,661	11,782	5,237
Cost of sales	(6,894)	(8,825)	(3,840)
Gross Profit	4,768	2,957	1,397
Overheads	(3,619)	(3,477)	(1,711)
EBITDA	1,149	(520)	(314)
Other Costs	(1,005)	(1,327)	(601)
Profit/ (Loss) before tax	144	(1,847)	(915)
Gross Profit Margin	40.9%	25.1%	26.7%
EBITDA Margin	9.9%	-4.4%	-6.0%

YTD - management results for the 5 months ending 31 May 2022.