



## HHHo19 – Foundry Castings and Pattern Makers Company for Sale

### Business summary

- Outstanding opportunity to acquire a profitable, well established foundry business located in the West Midlands UK.
- Leading, independent and privately owned foundry with a long standing, experienced workforce, and a solid client base. Established in 1983.
- Debt free with a strong balance sheet and track record of reliable sales year on year.
- Good client spread with a high level of repeat sales. 80% of business comes from their regular customers. The top customer represents only 15% of revenue.
- Capacity for increased sales with augmented online marketing and sales team.
- Producer and supplier of aluminium, non-ferrous, steel, stainless steel and iron-alloy castings.
- Provides a comprehensive service designing and manufacturing bespoke components for a variety of industries throughout the UK and Europe.
- Onsite pattern making and machining facilities, offering a complete component service, enabling production continuity to ensure products of the highest quality.
- Components are produced in batch quantities of 300-400 as well as small numbers of prototype and development castings.
- Established and close working relationships with other foundries, allowing the company to provide products outside their current offering, making them a one stop shop for all customer requirements.
- Quality management is ISO 9001 accredited
- All foundry staff are fully trained and compliant with company processes to ensure compliance with ISO requirements. Managed by an experienced foreman capable of running the business day to day.
- Many high-profile projects undertaken in the UK, which has resulted in positive write ups in relevant trade journals.
- Located in a desirable area of the UK, the company is ideally placed close to main road routes with easy access to motorways, rail and air links, and easy access to London.



- The sale represents an excellent opportunity for a larger foundry group with a need to expand capacity or a precision engineering or machining group with a regular requirement for cast components, or for an investor an opportunity to acquire a profitable debt free business with management capability in place and a solid basis and market for growth.

### Services Provided

- Pattern shop
- Foundry
- Machine shop
- Castings (sand & Metal)
- Materials

### Employees

- 2 shareholding directors and 17 employees as follows:
  - 1 Foreman
  - 1 Health and safety officer
  - 1 Payroll administrator
  - 1 Accountant
  - 1 Pattern maker
  - 1 Fettle shop charge hand
  - 1 Furnace man
  - 7 Foundry operatives
  - 3 Fettleers

### Premises

- The company's site comprises of three buildings with a total area of 13,600 sq.ft
- Leased premises. Rent - £16,000 per annum

### Reason for sale

- Following more than 30 years of successful trading, the shareholders are seeking to exit to pursue retirement plans. Subject to terms, they are prepared to offer a consultancy period following completion of sale to facilitate a smooth handover.

### Financial overview

<i>YE 31st Dec</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>
<b>Sales revenue</b>	<b>£944,396</b>	<b>£965,529</b>	<b>£866,113</b>	<b>£879,979</b>	<b>£951,924</b>
Gross profit	£241,346	£254,983	£225,248	£253,151	£251,916
<i>Percentage</i>	<i>26%</i>	<i>26%</i>	<i>26%</i>	<i>29%</i>	<i>26%</i>
<b>Adjusted EBITDA</b>	<b>£74,619</b>	<b>£76,119</b>	<b>£54,446</b>	<b>£78,707</b>	<b>£79,523</b>
<i>Percentage</i>	<i>8%</i>	<i>8%</i>	<i>6%</i>	<i>9%</i>	<i>8%</i>

- Adjusted EBITDA is stated having accounted for replacing the directors

### Offers Invited