



Acquisition Overview

ACQUISITION OVERVIEW

Smart Source is a \$120+ million brand management provider seeking to acquire industry competitors that are in need of an exit strategy. Smart Source is interested in companies with a solid customer base, strong gross profit margins, a history of profitability and strong sales teams. Transactions can be closed in as little as 60 days from initial introduction. Interested acquisition candidates should direct any questions to Jim Anderson at Corporate Development Associates.

TRANSACTION OVERVIEW

Smart Source is interested in acquiring companies in an asset transaction (excluding employee, tax and non-operational liabilities) based on a multiple of trailing twelve-month Gross Profit. Smart Source will consider all candidates regardless of acquisition criteria but will adjust the purchase price, as necessary, based on criteria shortfalls.

Acquisition Criteria

- **Revenue** – \$1+ million
- **Gross Profit** – 30+%
- **Sales / Earnings** – positive 3-year trend
- **Technology** – easily migrated
- **Concentration** – no single customer >10%
- **Management** – continuation of customer contacts
- **Real Estate** – flexible real estate arrangements

Transaction Description

- **Purchase Price** – One times (1.0x) Gross Profit
- **Type** – asset acquisition
- **Cash Down** – up to 20% of Purchase Price
- **Earnout** – 80+% over 4-5 years
- **Tax Treatment** – earnout is ordinary income
- **Excluded Assets / Liabilities** – cash, accounts receivable, accounts payable, bank debt, employee/tax/non-business liabilities

Smart Source is flexible in drafting a purchase agreement tailored to the unique circumstances of each acquisition and final terms of the acquisition will be determined by the requirements of each transaction.

ABOUT SMART SOURCE

Smart Source was founded by Thomas D’Agostino, Jr. in 2003. The Company has a strong management team located primarily in Atlanta, GA and has over 30 sales, production and warehouse locations throughout the country.

Smart Source Facts

- **Annual Revenue** – \$120+ million with strong growth
- **Management** – strong executive team with over 100 years of industry experience
- **Financials** – strong and growing profitability
- **Balance Sheet** – strong with minimal to zero debt
- **Employees** – 225+ with over 100 account executives
- **Regional Offices** – Atlanta, New York, Boston, Mission Viejo, Honolulu

Smart Source is a premiere brand management outsourced provider that delivers technology solutions and cost savings to the procurement of branded product. We can provide a one-stop seamless outsourced purchasing group for all your branded products from print to apparel to critical customer statements. Our Smart Source Connect platform can put all your branded products on a customized e-commerce site for easy and trackable procurement throughout your organization. We have documented success with clients across all verticals including healthcare, finance, retail, hospitality, manufacturing, automotive and business services. Smart Source offers a full suite of solutions.

Customer Branded e-Commerce Platforms • Business Process Outsourcing • Print Management • Critical Customer/Patient Statements • ISO-Compliant Documents, Statements, Labels • Medical / COVID-19 Supplies • Integrated Marketing • Digital and Offset Printing • Promotional Products • Direct Mail/Marketing • Promotional Marketing • Vendor Management • Corporate Apparel Program • Print Procurement • Warehousing and Distribution

Corporate Development Associates • Jim Anderson, Founder

14747 N. Northsight Blvd., Suite 111-110, Scottsdale, AZ 85260 • 480.951.2441 • jaa@printmergers.com