



ACT
CAPITAL
ADVISORS

**Soft Seating Division of Contract
Furniture Design & Manufacturing
Company**

ACT Client #230901

Available for Acquisition

Company Overview

ACT Capital Advisors is pleased to offer the Soft Seating Division of a Contract Furniture Design & Manufacturing Company for acquisition. The Company is an industry-leading designer and manufacturer of ancillary custom, made-to-order furniture. The Division specializes in the production of premium tailorable banquettes. The Company sells direct and through contract and hospitality distribution channels and generates revenue through stable, long-term relationships with design firms and furniture dealers. The Company's customer base relies on them to provide high-touch, tailorable products while maintaining their commitment to ethical practices, environmental stewardship, and celebrating their anonymity in the design process.

The Company is willing to consider offers beginning at \$1,500,000 for the Division.

Investment Highlights

Market-Leading Product Offering: The Division is a market leader in providing soft seating/banquette furniture for contract and hospitality customers. The Division offers tailored/customizable products that allow customers to create unique pieces fitting specific needs and preferences.

Diverse Channel and Customer Base: By focusing on contract, hospitality, education, and healthcare markets, the Company has created a diverse channel of furniture dealers serving blue chip and emerging industry customers. The Company is diversified from any single customer or vertical market.

Growth and Consolidation Opportunities: The Company has identified significant growth opportunities to scale their operation by widening its geographic reach and targeting favorable demographics as office and public environments undergo transformation. There is surplus shift capacity in the Company's manufacturing operations. Industry Buyers may extract additional benefit by consolidating the Company's banquette manufacturing operation into underutilized facilities.

Well-Established Supplier Relationships: The Company has established enduring relationships with key suppliers. The average length of its supplier relationship is more than 7 years.

Experienced Employees and Management: The Company is led by a management team composed of industry veterans with significant backgrounds in marketing, design, and finance. The Company maintains a highly-experienced, long-tenured employee base characterized by low turnover and industry-specific skill sets.

Strong Industry Outlook: The global contract furniture market is expected to expand at a CAGR of 5.09% from 2023-2028.

Financial Information (Recast)*

FYE 12/31	2019	2020	2021	2022
Revenue	\$4.6MM	\$4.4MM	\$5.1MM	\$6.8MM
Gross Profit <i>Margin</i>	\$2.4MM <i>52.2%</i>	\$2.3MM <i>52.3%</i>	\$2.6MM <i>51.0%</i>	\$3.5MM <i>52.1%</i>

*The Company’s financial results for years ended Dec. 31, 2019-2022 have been recast to adjust for errors related in financial reporting.

Contact Information & Next Steps

All interested parties should contact ACT Capital Advisors for further information and next steps.

All communication should be directed to **Ivan Trindev, ACT Senior Associate and Zack Hsieh, ACT Associate**



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