



## **Project Arrow: Acquisition Opportunity**

### **Executive Summary & Transaction Request**

Rush Street Capital has been engaged to raise \$8.3 million of investor capital for the acquisition of Project Arrow. Project Arrow is a Midwest based leading manufacturer and aluminum die caster. Rush Street Capital has been engaged directly by an Independent Sponsor to source acquisition capital and a financial partner for this transaction. The Sponsor has the Company under LOI for a purchase price of \$12.3 million, and this is a proprietary sourced deal. The transaction sources & uses table is shown below.

<b>Sources</b>	<b>(in \$000's)</b>	<b>Uses</b>	<b>(in \$000's)</b>
Investor Capital	8,300	Cash at closing	11,100
Sale Lease-back cash proceeds	3,500	Seller Financing	400
Seller Financing	400	Seller Rollover Equity	800
Seller Rollover Equity	800	Fees & Expenses	700
<b>Total</b>	<b>\$13,000</b>	<b>Total</b>	<b>\$13,000</b>

Project Arrow is a founder run business, owned by two brothers who have equal ownership. One brother, the COO will remain active in the business, rolling over 10% equity and partner with the Independent Sponsor to support the Company’s future growth. The other co-owner will remain with the Company for a pre-determined period to help transition in a new president/CEO.

Project Arrow generated \$20.04 million of revenue and \$3.19 million of Adj. EBITDA in the TTM Nov. 2019 Period.

### **Company Overview**

Project Arrow is leading aluminum die caster and manufacturer operating out of an 88,000 sq. ft. facility in the Midwest. Aluminum die casting offers a wider array of manufacturing capabilities than any other comparable manufacturing processes. The Company has been in operations for over 25 years and manufactures products for a diverse set of industries such as: industrial applications, consumer goods, automotive, electric and agriculture.

Project Arrow is cost competitive; its operations are highly automated and runs on a 24-hour production process. The Company has 14 die casting machines that can manufacture products ranging from 1 oz to 25 lbs. Current management has made substantial investments to date in the Company’s machinery & equipment and facilities providing the capacity and capabilities to support future growth.

The Independent Sponsor has experience partnering with founder-run and manufacturing businesses integrating best-practices to grow revenue and increase profitability. The Sponsor will be involved in day-to-day operations: executing and implementing the Company’s growth and marketing strategy.

Project Arrow is an opportunity to partner with an established business in a fragmented industry that offers numerous opportunities to grow. Rush Street Capital is seeking capital providers to partner with the Independent Sponsor on this exciting growth opportunity.