

National Manufacturer of LED Grow Lights

ASKING FOR BEST OFFER

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EXECUTIVE SUMMARY

THE OPPORTUNITY

PBB is pleased to present the opportunity to acquire a pioneer in the design and manufacturing of professional LED lighting solutions for indoor growers and greenhouses.

Our client has been experiencing rapid growth fueled by the development of 14 innovative LED lighting products marketed across two customer segments: the commercial horticultural grower and the home grower. Although our client's LED lighting applications are widely used across the horticulture industry, they have focused their sales efforts to the booming cannabis sector.

Our client manufactures their products in the USA. After maxing out their production capacity in early 2018, they have invested in upgrading their manufacturing process and equipment including automated electronic circuit printing, injection molding and assembly equipment, now allowing for 3x production.

A strategic buyer with a strong balance sheet to increase sales force, buy components in bulk, and build up inventory to quickly fulfill orders will be well positioned to propel this company to the next level.

INVESTMENT HIGHLIGHTS

- Offered unpriced. Included in the sale:
 - \$1.05 million left in pre-paid advertising credit realized thru a \$1.50 million equity partnership with [High Times Magazine](#);
 - Approx. \$380,000 in inventory.
- First to market with global trademarks and USA patents.
- Products "Made in the USA" meeting all regulatory and governmental safety standards (UL, IL, ROHS, etc.).
- Products reduce energy consumption by 50-75% while reducing carbon footprint by up to 60% over traditional lighting.
- Potential licensing opportunities to be explored.
- Sales pipeline for 2020 > \$8.0 million and growing.
- Improved gross margins from 15% in 2017 to 35% in 2019.
- The overall [horticulture lighting market](#) is expected to grow from \$2.43 billion in 2018 to \$6.21 billion by 2023, a CAGR of 20.61%.