

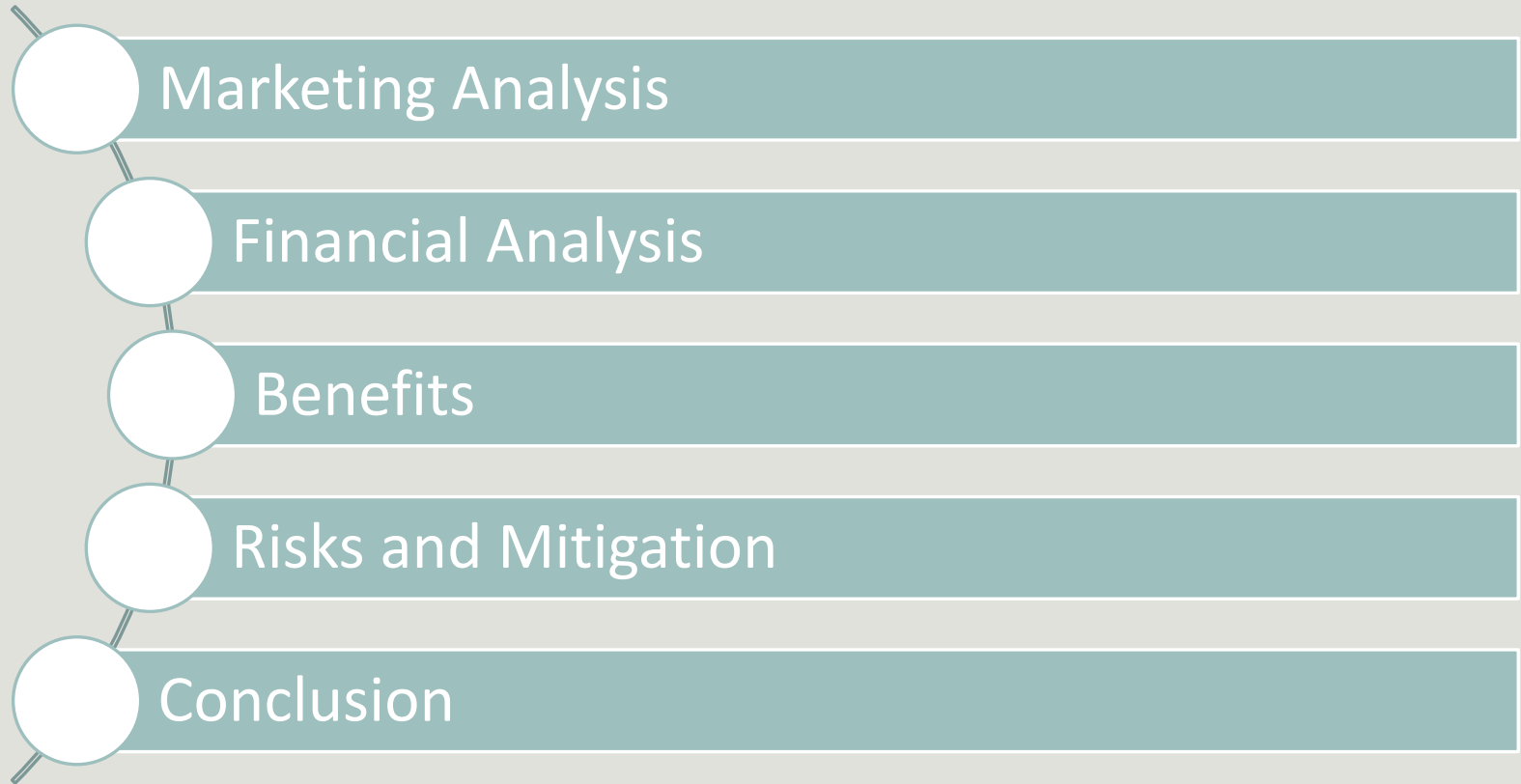
Pennycook Power Boats

Presented to Paul Reynolds

ASSOCIATED BUSINESS CONSULTANTS OF CANADA

BONITA, BRENDA, CAMERON, WILL

Agenda



Market Analysis

- High-end ski and wakeboard boats
- Key demographics:
 - Wealthy high-end
 - Professional sports
- Direct sales and distributor sales



Market Analysis

- Selling features:
 - Efficient design
 - High power to weight ratio
 - Angular seat design
- Social media presence
 - Bloggers and reviews



Financial Analysis

Historical Balance Sheet (thousands)

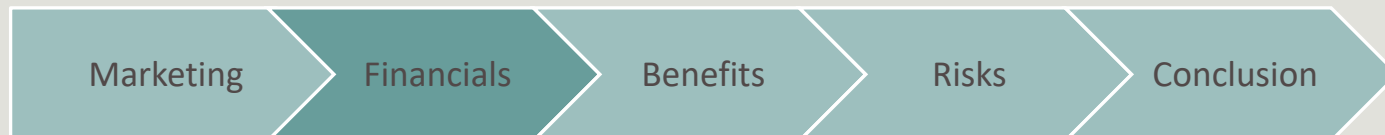
	2011	2012	2013	2014	2015
Assets	\$4,005	\$4,977	\$6,137	\$7,391	\$7,340
Liabilities	8,000	7,998	7,981	8,005	7,837
Equity	(3,995)	(3,021)	(1,845)	(614)	(497)



Financial Analysis

Historical Cash Flows (thousands)

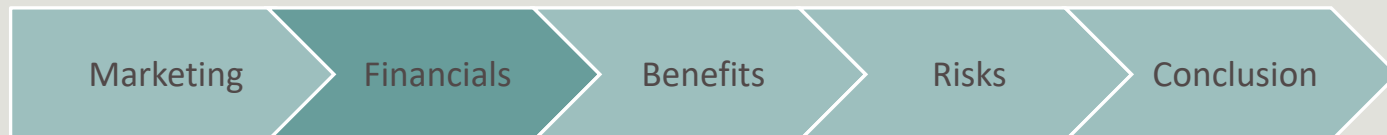
	2011	2012	2013	2014	2015
Beg. Balance	(\$35)	\$97	\$187	\$299	\$367
Operations	982	990	1212	1418	(78)
Investing	(850)	(900)	(1,100)	(1,350)	(100)
Financing	0	0	0	0	0
Balance	97	187	299	367	189



Financial Analysis

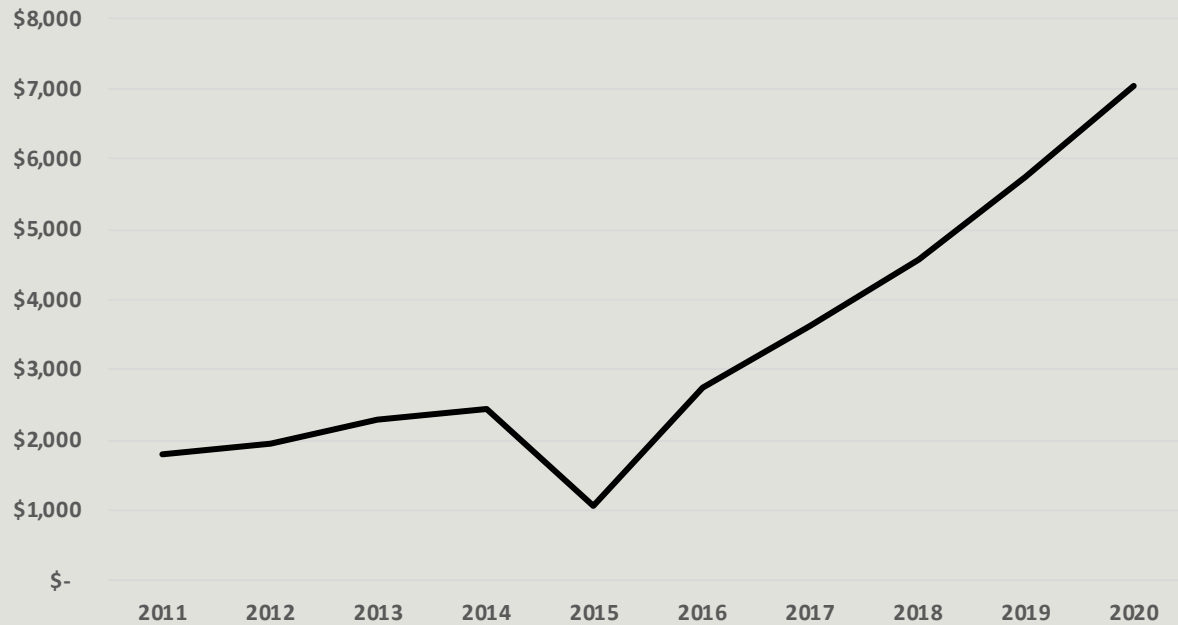
Projected Income Statement (thousands)

	2016	2017	2018	2019	2020
Revenue	\$14,371	\$16,527	\$19,006	\$21,857	\$25,136
COGS	7,904	9,090	10,453	12,021	13,825
Op. Expense	3,737	3,834	3,972	4,109	4,273
EBITDA	2,731	3,603	4,580	5,727	7,038



Financial Analysis

EBITDA* (Thousands)



Marketing

Financials

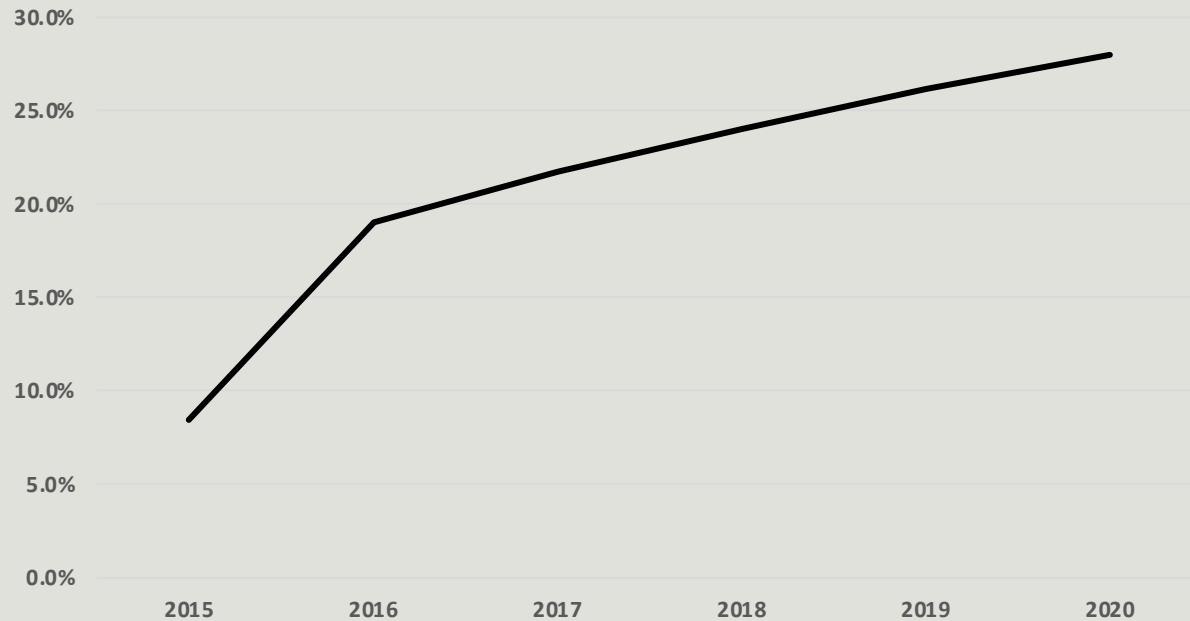
Benefits

Risks

Conclusion

Financial Analysis

Return On Sales



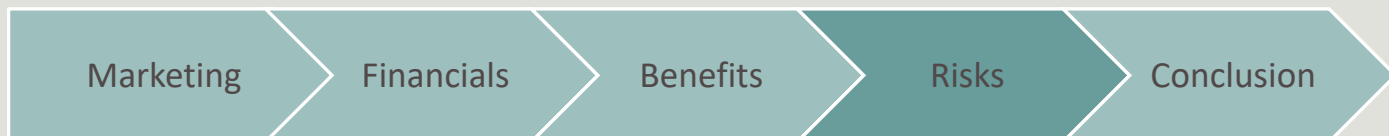
Benefits

- Synergies
- Savings on facility
- Increased market share
- Diversified products
- Experienced workforce



Risks

- Sales projections
- Debt to equity
- Reputational
- Sufficient capacity
- Layoffs



Conclusion

- Offer considerations:
 - Projected sales increases
 - Established goodwill
 - Distributor and supplier relationships



Questions



Appendix A

Income Statement					
	2016	2017	2018	2019	2020
Revenue	\$ 14,371	\$ 16,527	\$ 19,006	\$ 21,857	\$ 25,136
COGS	\$ 7,904	\$ 9,090	\$ 10,453	\$ 12,021	\$ 13,825
Gross Margin	\$ 6,467	\$ 7,437	\$ 8,553	\$ 9,836	\$ 11,311
Operating Expenses					
Selling	\$ 1,006	\$ 1,025	\$ 1,083	\$ 1,137	\$ 1,257
Office & Admin	\$ 1,150	\$ 1,157	\$ 1,178	\$ 1,224	\$ 1,257
Rent & Maintenance	\$ 1,581	\$ 1,653	\$ 1,711	\$ 1,749	\$ 1,759
Total Operating Expenses	\$ 3,737	\$ 3,835	\$ 3,972	\$ 4,110	\$ 4,273
EBITDA***	\$ 2,730	\$ 3,602	\$ 4,581	\$ 5,726	\$ 7,038