

LEFCO Worthington is a small manufacturer of crates, pallets, racks, dollies and related products from wood or steel for industrial customers. Located in Cleveland, OH, LEFCO was formed by two acquisitions in 2003 and 2004. The company now seeks to continue to add to its business growth through further acquisitions of small companies located in the northeastern Ohio region.

LEFCO Worthington's acquisition strategy is to focus on transactions where the target company is a manufacturer who may operate in a fragmented industry where the business growth might be enhanced by consolidation and more effective distribution. We seek businesses that generate annual revenues of at least \$500,000 and have displayed a history of profit at the operating income line. However, we will consider select companies and situations which have experienced operating losses but exhibit potential for generating significant operating profits in the future.

We seek to purchase or recapitalize privately held companies and will seriously look at turnaround situations. We are also open to buyouts of lines of business from corporate owners.

Corporate Divestitures: As corporations change their strategic directions, smaller divisions or product lines may lose importance and may no longer be critical. LEFCO is interested these types of opportunities and will consider the purchase or the buyout of business units. We current facility may permit us to absorb a business unit into our space, freeing up the corporate parent's facilities. LEFCO is prepared to operate the target company. However, participation with key employees in a leveraged buyout will be considered.

Industry: LEFCO seeks to invest in the business-to-business spectrum. We prefer to invest in established companies rather than startups. We lean toward companies participating in fragmented industries where margins have enhancement potential, where product evolution opportunities exist, and where there is customer or geographic expansion opportunities. Some examples are:

- ✓ Metal or steel product manufacturing
- ✓ Wood pallet or crating manufacturing
- ✓ Light product assembly (packaging, specialty welding, product assembly, kitting)
- ✓ Industrial service or value added providers
- ✓ Government contractors

Size and Type of Investments: LEFCO seeks to make equity investments in order to obtain 100% ownership, but in the right circumstances would consider a partial but majority position of at least 51% of the target company.

Please consider forwarding information on prospects to:

[Larry.Fulton@LEFCOIndustries.com](mailto:Larry.Fulton@LEFCOIndustries.com)

18451 Euclid Avenue

Cleveland, OH 44112

T: 216-432-4422, 103

F: 216-432-4424

[www.LEFCOWorthington.com](http://www.LEFCOWorthington.com)