

# River Bottom Buy Box

## Geography

Southern Ontario preferred with flexibility to consider nearby Upstate New York within a two hour drive from the Niagara region.

## Size and Financials

- Target **EBITDA 500K to 2M**
- **EBITDA margin above 15 percent** with stable or growing earnings
- No single customer over **20 percent** of revenue and top 5 under **50 percent**
- Prefer **recurring or repeat revenue**, with at least half from ongoing contracts or repeat orders
- **Strong recurring revenue with low churn** is a notable positive
- **Ordinary maintenance capex under 5 percent** of revenue

## Business Type

- Simple easy to understand **B2B** business in light manufacturing repackaging or essential services
- Product or service should be **must have** for customers yet a **small portion of their total spend** ideally under 5 percent
- **Manageable process based regulation** acceptable such as import export documentation or safety compliance
- Avoid sectors with **heavy political opaque or frequently changing regulation**
- No **exotic or fragile** supply chain exposure

## Team and Succession

- Business is prepared for the **owner to step away**
- Strong **general manager** in place or a capable **number two** ready within 6 to 12 months
- **Key knowledge distributed** across the team rather than held solely by the owner

## Technology and Operational Leverage

- Seeking businesses where **technology can create clear performance gains**, including better scheduling forecasting workflow automation communication quoting and data visibility
- Ideal companies show signs of **under investment in basic systems** and are behind industry standards in software adoption
- Technology improvements should support **margin expansion and scalability** rather than require heavy robotics or advanced R&D
- Focus on cases where technology strengthens the business without eliminating the need for local production or service delivery
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- Avoid businesses with a high AI Risk Score where AI platforms will replace the economic engine within the next decade such as information heavy or professional service businesses that rely on routine cognitive tasks
- Looking for businesses with a high AI Opportunity Score where AI can improve forecasting scheduling quoting quality control inventory planning and customer communication

## Owner Role and Lifestyle

- Intention is to **work on the business not in it**
- Comfortable being **hands on during transition** provided there is a credible plan for a **general manager led model** within the first year
- Long term involvement averages **10 to 15 hours per week**, focused on strategy, technology and oversight

## Deal and Seller

- Seller ready to retire and open to a **reasonable structure** such as a seller note or clear transition plan
- Avoid **distressed turnarounds** or businesses dependent on one key contract customer or employee
- Prefer **stable repeatable cash flow** with transparent books and clean financial controls

## Differentiating Factors

The business should ideally have **one clear standout feature** that makes it more compelling than a typical deal. Examples include:

- **Regulatory or compliance requirement** that reduces competition and raises switching costs
- **Strong number two** ready to step into the operator role
- **Attractive economics** such as a low acquisition multiple on a proven simple to operate business
- **Mission critical work** that is essential to customers yet a minimal portion of their total budget
- **Strong recurring revenue with low churn** and multiyear retention
- **Asset or capacity advantages** such as specialized equipment rare permits or a facility with room to grow
- **Unsophisticated competition** where competitors have limited technology adoption slow quoting poor communication or outdated operations
- **Customer stability** with long tenure institutional clients and predictable purchasing patterns
- **Clear upside** that has not been captured such as pricing power unused equipment capacity or unmapped service add ons
- **Seller motivation** that improves deal terms or transition clarity