



Acquisition Opportunity

## Eurozone Mineral Water Wells and Production Facilities Opportunity to Extract and Market 10 Billion Liters per Year

**Business Description:** Two Companies own 5 mineral water wells and modern bottling plants and factories licensed to extract the maximum annual volume of up to 10 billion liters of water. One site can produce a quantity of exceptional top quality mineral water that equals the production of the top 3 US brand market share leaders. [Dasani 2.5 b l; Aquafina 2.4 b l; Nestlé Pure Life 2.3 b l]. Although the Companies are operating in only 1 EU country, the growing demand for pure water in the Eurozone, other parts of the Mediterranean and globally is a major opportunity for export growth and continued high gross margins exceeding 45%. *World bottled water market is expected to exceed \$300 billion by 2022*, and the expected worldwide shortage of clean drinking water creates additional opportunities to grow revenues and immediately become a dominant leader in the mineral water sector. Several experts have confirmed that the wells have very high quality water that is comparable in quality to luxury brands such as Evian, Fiji and Vittel – and the wells are listed as UNO water supplier in the United Nations Global Marketplace in 193 countries. Due to lack of international experience, management has not responded to multiple international supply requests. However, through the efforts of current management, the company has returned to profitability.

**Distribution:** The Company is selling its products direct within a single EU country, where its wells are strategically located to insure optimal logistics and lowest delivery costs. Primary customers are supermarket chains with which there are long-term relationships. For future distribution outside the country as the biggest opportunity for an investor, the bottling plants are located near a major seaport. The United Nations designation is difficult to secure, and provides a major competitive advantage.

**Operational Strengths:** Experienced executive team is in place that has managed water operations for 18+ years. The CEO has an exceptional track record and is committed to continue managing the companies profitably. The CEO and the 58 employees want to continue operating under the new ownership. Gross margins in export (after logistical costs) may exceed 45%. The Company's modern bottling plants operate efficiently and require no new equipment investment to double or even triple output. Other strengths include: The strategic location of the wells and production facilities, an unlimited production right of one well, long-term relationships with supermarket chains, and compliance with the EU's strict laws on mineral water purity and production.

**The Transaction:** The 2 production companies, [5 wells], are for sale in a single transaction. This is an excellent opportunity for an investment group or an established operating company seeking to accelerate growth by expanding capacity and distribution especially in the Middle East and North Africa, with further expansion likely into China, India and the US. Currently these 2 sites produce ~ 100 million liters of Mineral Water per year and sales are limited by its single-country market service area. However, without additional facility investment, the capacity of the current facilities could easily be expanded to a maximum of ~ 500 million liters per year resulting in annual pre-tax profit of 80 to 100 million Euros. Additional investments in production capacity will result in higher revenue generation. **Tripling current output of 100 million liters to 300 million liters and exporting this quantity in 200 million 1.5 liter bottles with a calculated margin of 0.20 EUR per bottle would generate a pre-tax profit of 40 million EUR.** The Companies have in place all required government approvals and licenses and market analyses.

<b>Financial Summary (All figures are in Euros)</b>				
	<u>Est. Projected by Seller</u> FY 2017	<u>Est. Projected by Seller</u> FY 2016 (3/31/17)	<u>2015</u>	<u>2014</u>
Revenue	17.6 million	16.0 million	11.1 million	13.3 million
EBITDA	1.6 million	1.4 million	1.2 million	995k

<b>Location</b>	<b>Financials</b>	<b>Management</b>	<b>Years in Business</b>	<b>SIC Classification</b>
European Union	Compiled	In Place	> 20 years	2086, 5149

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