



SUMMARY FACT SHEET

M-WAVE INTERNATIONAL and M-WAVE MUSIC PRODUCTS LEADING ELECTRONIC CIRCUIT BOARD CONTRACT ASSEMBLERS



Business and Opportunity Description

M-Wave International, LLC (“M-Wave”) and M-Wave Music Products, LLC (“Music”) (together, the “Companies”) are leading nationwide electronic circuit board assemblers specializing in low-volume, high-mix assemblies for select customers in Fire & Safety, Emergency Back-up, Industrial Smart Lighting, Restaurant Equipment, Music Products and OTC Medical Devices. M-Wave is ISO 9000-2010 certified and FDA-approved for medical device board assemblies. M-Wave sets itself apart in offering pre-production engineering and support services even to its smaller customers. The corporate headquarters are based in a 50,000-sf facility in Glendale Heights, IL.

The Companies strategically began re-shoring product to the USA in 2015, then intensified its efforts with the introduction of new tariffs on Chinese imports beginning in 2018. Re-shoring was accomplished by early 2020 but then the pandemic hit. Even through these changes, M-Wave grew from \$3M in annual sales in 2013 to \$15M in 2019. Today, M-Wave has over approximately 75 employees on one shift assembling product that are 90% sourced domestically. M-Wave plays a major role in the entire supply chain for its customers, relieving them of the frustrations of production management, supplier audits, packaging, logistics, compliance, storage, delivery and warehousing. Now, a significant drop in sales during the pandemic led to the Companies’ decision to undergo an Assignment for the Benefit of Creditors even as it remains a fully operational going concern with a stable customer mix.

Transaction Overview

On October 5, 2020 Robert Handler was appointed Trustee/Assignee of the Companies. Handler will be managing the Companies as a going concern while working to sell the assets of the Companies, combined or separately (the “Auction”). The sale(s) will be free and clear of all liabilities and will take place on or about October 23, 2020 with a closing scheduled immediately thereafter.

No contact with the Companies or its employees is permitted without the expressed written consent of the Trustee/Assignee. All buyer visits will be arranged by the Trustee/Assignee and hosted jointly by a Trustee/Assignee representative and the Companies.

The Trustee/Assignee and a prospective purchaser (the “Initial Bidder”) have entered into an Asset Purchase Agreement for the assets of the Companies (the “APA”), which governs the Initial Bidder’s offer to purchase all of the Companies’ assets (“Sale Assets”). Pursuant to the terms of the APA, the Initial Bidder has made an offer to purchase the Sale Assets for \$2,920,836, based on the book value of tangible assets as of September 30, 2020, but subject to final adjustment as outlined in the APA one business day prior to Auction. The APA shall be subject to any higher and better bid by other bidders (the “Competitive Bids”). Separate bids for the assets of M-Wave or Music can be submitted and will be considered.

Parties interested in pursuing this transaction will be required to submit their bids in the form provided by the Trustee/Assignee, which will be in substantially the same form as the APA. This process is designed to maximize efficiency for both the buyer and the seller. See attached notice of auction for additional details.

Summary Financial Information (\$000's)

M-Wave International, LLC (\$000's)				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>Aug YTD</u>
Net Sales	9,331	9,730	15,299	7,623
Cost of Sales	6,418	6,886	10,486	5,756
Gross Profit	2,913	2,844	4,813	1,867
	Net Book Aug 2020		Liq Value 9-30-20	
Accounts Receivable		577.7		439.0
Inventory		4,442.0		2,200.0
PPE and F&F		303.8		300.0
Total Tangible Assets		5,323.5		2,939.0
M-Wave Music Products, LLC (\$000's)				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>Aug YTD</u>
Net Sales	1,367	1,475	1,201	675
Cost of Sales	<u>699</u>	<u>621</u>	<u>559</u>	<u>321</u>
Gross Profit	668	854	642	354
	Net Book Aug 2020		Liq Value 9-30-20	
Accounts Receivable		91.1		86.0
Inventory		508.0		250.0
PPE and F&F		68.1		30.0
Total Tangible Assets		667.2		366.0

Additional Information

Companies' details are available for your review, pending our receipt of a signed Confidentiality Agreement. To learn more about this opportunity, please contact: **John Servatius**, 312-953-6182, jservatius@com-rec.com or **Robert Handler**, 312-845-5001, rhandler@com-rec.com at Commercial Recovery Associates, LLC.