

Financial

Meliora Consulting Group

China - Global Expansion of Architectural Product Company will Increase Gross Margin and EBITDA

Canadian Wood Products
2017 Gross Margin
\$9.29 million

Increase Gross Margin by 3
\$9.29 million * 5

Architectural Product
Company
2020 Gross Margin
\$9.29 million * 5 = \$46.45
million

Canadian Wood Products
2017 EBITDA
\$4.74 million

Architectural Product
Company
2017 EBITDA
\$4.74 million *5

Architectural Product
Company
2020 EBITA
\$4.74 million * 5 = \$23.7
million

Expanding Architectural Product Company into China through Alibaba (China's largest online retailer) will increase Canadian Wood Products gross margin to \$46.45 million and EBITDA to 23.7 million by 2020.

Green Energy will increase CWP Energy's gross margin by 20%

CWP Energy
2013-2017 Gross Margin
(Avg.)
\$3.57 Million

Increase Gross Margin by
20%
\$714,000

CWP Energy
2020 Gross Profit
\$4.28 Million

CWP Energy
2013-2017 EBITA (Avg.)
\$1.67 Million

Increase EBITDA by 20%
\$334,000

CWP Energy
2020 EBITDA
\$1.93 Million

Entering the green energy market will increase CWP Energy's gross margin to \$4.28 million and EBITDA to \$1.93 million by 2020.

North America Food Imports: Double Gross Margin

Grain St Laurent
2017 Gross Margin
\$1.13 Million

2020 Gross Margin
\$1.13 Million * 2

Grain St Laurent
2020 Gross Profit
\$2.26 Million

Grain St Laurent
2017 EBITDA
\$100,000

2020 EBITDA
\$100,000 * 2

Grain St Laurent
2020 EBITDA
\$200,000

Importing food commodities into North America will increase Grain St Laurent's gross margin to \$2.26 million and EBITDA to \$200,000 by 2020.

2020: Total Gross Margin and EBITDA

Gross Margin: \$52.99 Million (\$46.45m + \$4.28m + \$2.26m)

EBITDA: \$25.83 Million (23.7m + 1.93m + 200K)

The Bottom Line: \$7.5 Million

Global Expansion into
China

\$2 Million over 3 years

- 1st Year - \$1 Million (Start-up distribution channels)
- 2nd and 3rd Year - \$500,000/year (Future predicted expansion of sales)

Green Energy

\$500,000

- 3-4 analysts
- IT, Legal, Regulatory

North America Commodity
Import

\$4-\$5 Million over 3 years

- Fixed Costs – Set-up, travel, networking, business development, legal
- Variable Costs: Warehousing, labor (20 people)