

KITSON BOARDS

COMPANY SUMMARY: Kitson Boards, Inc. is a company based in Olympia, WA that makes a very different type of surfboard and paddleboard – carbon fiber.

TOTAL AVAILABLE MARKET: The current paddleboard market is estimated at a hefty \$1.1 billion, and there is room for that number to grow even larger as paddleboarding moves inland. There are currently more than a million people whom paddleboard, and that number has been increasing by roughly 20% per annum.

CUSTOMERS: Because the core of our early business is custom paddleboards, the bulk of our customers have been primarily individuals. However, we have had several surf shops and retail chains show interest in our boards, including Costco.

CUSTOMER PROBLEM: Many paddleboards on the market right now use fiberglass, but that only gets you so far. They end up being heavy (as much as 60 pounds for a standard paddleboard) and relatively weak. After all, fiberglass is only so strong. One hard wave and the board could be demolished.

PRODUCT/SERVICE: Kitson boards look just as good as they ride, but what really sets Kitson Boards apart from the competition is our unique manufacturing process -- we actually wrap foam cores with layers of carbon fiber, making them extremely light and extremely durable.

VALUE PROPOSITION: While Kitson boards could last a lifetime, our boards are still priced at roughly the industry average – making them a good value. Our boards are also environmentally friendly and because they are made in-house customization is a snap. Customers can change colors, add graphics, or even include photographs on our boards.

INTELLECTUAL PROPERTY: We are the only manufacturer using 100% carbon fiber to form our paddleboards. By using the latest technology and the lightest, strongest components we produce boards that are a minimum of 20% lighter and 136% stronger than any other paddleboard on the market.

KITSON BOARDS, INC.

9640 Tilley Road S
Olympia, WA 98512

kitsonboards.com

Office: 360-878-9526

FINANCIAL INFO

Capital Raised	\$350,000
Debt	\$350,000
Equity	\$0

Capital Seeking	\$1,000,000
Debt	\$0
Equity	\$1,000,000

Desired Capital Structure	
Debt	\$350,000
Equity	\$1,000,000

POST FINANCE

Boards Per Year:	1500+2k/y
Est. Y1 D/E	\$3,173,000
Est. Y2 D/E	\$4,659,000
Est. Y3 D/E	\$7,468,000
Est. Y4 D/E	\$10,386,000
Est. Y5 D/E	\$13,419,000

Value, 5 Years: \$29.3 million

SHARE INFO

Total Shares:	10,000
Shares on Offer:	4,000
Share Price:	\$250
Est Value 5 Yr:	\$2,930

COMPANY INFO

Industry: Manufacturing

Founded: 2012

Employees: 8

MANAGEMENT

Mike Kitson, CEO

Denise Kitson, VP

Renee Butler, CFO

CONTACT

Mike Kitson

Mike@KitsonBoards.com

Renee Butler

Renee@KitsonBoards.com

COMPETITORS: The board market is extremely fragmented, leaving room for a high-quality, value-oriented brand to really gain a foothold. There are currently more than 300 paddleboard manufacturers. The result is a crowded market with a wide range of pricing and quality.

COMPETITIVE ADVANTAGE: Kitson Boards has the ability to go far in the paddleboarding industry for two reasons -- the market is exploding and we offer a product uniquely suited to meet the needs of that growing market. The paddleboard market is new and the competition fragmented, giving us a great opportunity to get our foot in the door as long as we can get the additional funding to work with larger retailers and really get our name out there. Our boards are extremely durable and ultra-light -- but, while they may be the "Ferrari of boards", they do not cost any more than our competition. We also offer a range of customization options that our competitors do not.

SALES/MARKETING STRATEGY: Kitson Boards are sold in two ways. The bulk of our business comes from selling direct to customers via the Internet, relying on SEO and page ranking to drive business, but we also sell directly to small, specialized retailers, both for retail and for rentals. As it stands, many of these shops are interested in larger orders, as are several larger retail chains including Costco, but we simply do not have the production capacity. Going forward, we intend to parlay our business into mass production, taking advantage of the current interest in our company and increasing sales exponentially in the process.

USE OF FUNDS: Kitson Boards is ready for the next step. We pushed our first facility to capacity, necessitating a move to larger quarters in only eight short months. Now, we are ready to grow again by adding mass production abilities and expanding the number of machines we have for production. In order to do that, we need to buy the equipment, hire the right people, and rent the space we need to grow our business even further.

REVENUE MODEL: By extending its operations through mass production and the improved distribution avenues the ability to produce a higher volume would bring, Kitson Boards would become worth roughly \$29.3 million in just five years.

MANAGEMENT: Kitson Boards uses such advanced technology that overhead is kept to a minimum, and that includes staff. There are currently eight staff members, four involved in office operations and four in the workshop. As CEO, Mike Kitson leads company operations. He has had decades of experience running successful businesses.

POTENTIAL EXIT STRATEGY: Kitson Boards believes that a financial exit in the form of a merger, acquisition, or IPO is possible.