

Guide to Selling your Propane Business



Ferrellgas

Fuel Life Simply[®]

FERRELLGAS MAKES SELLING YOUR BUSINESS EASY!

You have worked hard to build your business. With Ferrellgas' experienced program, you can expect attention, ease, and assistance navigating the sale process to receive the best after-tax deal for your business. There is no better time to consider Ferrellgas — come grow with us!



CONTINUING YOUR LEGACY

We understand the weight that comes with the decision to sell. You have worked hard to build a legacy for your business and develop the outstanding employees and service your customers have come to know you by. Ferrellgas stands ready to help you consider the future with:



Transparent Valuation

Our time-tested program applies the same confidential and transparent process when working directly with company owners or intermediary agents. With Ferrellgas, you can expect attention, ease, and assistance navigating the process to receive the best after-tax deal for your business.



Support For Your Employees

Employees have always been the heartbeat of Ferrellgas because they are also owners. We are an entrepreneurial company at heart, empowering employee-owners to exchange ideas, solutions, and explorations regardless of level or department. Our process extends past the final handshake as we have the industry's only team that is dedicated to the smooth and efficient transition of all new acquisitions.



Customer Care

Everything we do is focused on making propane simple, smooth, and on customers' terms, from fill to payment. Backed by a nationwide propane supply and supported by a team of passionate professionals, Ferrellgas customers, new and old, can trust our experience and expertise to fuel life simply.

PROVEN PROCESS SINCE 1967

At Ferrellgas, we are acquisitions experts. Our first one took place over fifty years ago. Since then, we have acquired over 300 companies. Put our time-tested, proven program to work for you.



“

If you're considering selling your business, I would consider looking at Ferrellgas because they're a great company. They've been great with me and great for our people, our employees. Don't wait, Start now.”

— **Tom Sigler,**
Owner, Eastern Sierra Propane, Bishop, CA



SCAN QR CODE TO WATCH
FULL TESTIMONIAL VIDEO



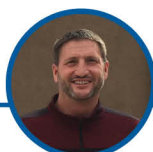
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After deciding it was time to sell my propane business, it felt like a monumental task. Finding a Buyer who was going to do right by my customers, employees, and legacy that my family built was very important to me. It's a stressful and emotional task to sell your business but Ferrellgas was there for me the entire time. The Ferrellgas team did a fabulous job throughout the acquisition process from valuation to due diligence to closing. I highly recommend selling to Ferrellgas when it comes time to sell your business.”

— **Matt Young**
Owner, Lee Propane, Pennington Gap, VA



● Acquisition Locations



“

I have bought and sold businesses over the years, and I would highly recommend Ferrellgas. All promises were kept and they delivered every step of the way. My employees were treated with respect and welcomed to the Ferrell family. I would absolutely deal with Ferrellgas again should the opportunity arise.”

— **Mike Warren,**
Warren Energy Group, Salt Lake City, UT



THE ACQUISITION PROCESS

Our time-tested program applies the same confidential and transparent process when working directly with company owners or intermediary agents. With Ferrellgas, you can expect attention, ease, and assistance navigating the process to receive the best after-tax deal for your business.



1

Non-Disclosure Agreement This quick, no-cost evaluation is confidential for any stage of your consideration, so we begin by signing a non-disclosure to protect your private information.

2

Formal Valuation Phase To launch our formal valuation phase, we need some information about your business. See Getting Ready in this brochure for a list. After a detailed review of this information, we will move to the next step if it makes sense for all parties.

3

Letter of Intent We understand the weight that comes with the decision to sell. If it makes sense for all parties, your Ferrellgas Acquisitions Team will provide a transparent, non-binding Letter of Intent (LOI) providing the purchase price, timeline process, and transition plan for employees so you have everything to make the right decision for your business.

4

Due Diligence If you decide to accept and sign the LOI, we assemble a wide range of propane experts from Safety to Accounting as a dedicated Due Diligence team. This team becomes familiar first-hand with your company and begins planning a smooth transition for the planned acquisition.

5

Pre-Closing Ferrellgas' Legal team will work with you to establish the language of the Asset Purchase Agreement (APA) and create the Exhibits of APA. While you focus on the transaction specifics, your Acquisitions team is preparing Ferrellgas corporate departments to welcome new employees and customers.

6

Closing Your Ferrellgas Acquisition team will be back on-site for closing. Following the final signatures, a dedicated team will support your employees and customers through the smooth and efficient transition process.

GETTING READY

To help us better understand your business, we will need some information from you. **Here's a handy list of items you will need to gather:**



FINANCIAL

- ☐ Consolidated financial statements
- ☐ Average sales price per gallon for each segment
- ☐ Number of tanks sold to customers per year for prior 3 years
- ☐ Retail volume and revenue
- ☐ Volume breakdown by month
- ☐ Detail of additional income
- ☐ Current accounts receivable
- ☐ Wholesale volume and revenue
- ☐ Cylinder exchange volume, transaction count, and revenues
- ☐ Detail of revenue



CUSTOMER

- ☐ Number of active retail / bulk customers
- ☐ Approx. % of gallons delivered to customer owned tanks vs company owned tanks
- ☐ Details on any fixed, capped, or pre-buy sales offered to customers
- ☐ Available customer growth information
- ☐ Approx. % of will call vs. auto fill / routed customers
- ☐ Gallon and revenue information
- ☐ Number of customer owned tanks vs company owned tank customers
- ☐ Number of UG tanks that are company owned and leased to customer



ASSETS

- ☐ Real estate information
- ☐ Number and size of customer storage tanks
- ☐ Vehicle information
- ☐ Bulk Storage
- ☐ 20# tank exchange assets
- ☐ Listing of additional assets that support the operations



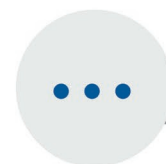
PERSONNEL

- ☐ Current employee census
- ☐ Detail of commission and bonus plans
- ☐ General information and description of benefits
- ☐ Detail on any non-wage related compensation



TANK EXCHANGE

- ☐ Number of active tank exchange customers
- ☐ Any customer growth information available
- ☐ Gallon and revenue information
- ☐ Any contracts in place with Cylinder manufacturers
- ☐ Average sales price per cylinder
- ☐ Cylinder sales volume breakdown
- ☐ Process for 20 lb. tank inspection, cleaning, sleeving, and filling



OTHER INFORMATION

- ☐ List of current supply providers
- ☐ Copy of supply agreements
- ☐ Contractual relationship with third party tank exchange service provider
- ☐ Example of tank exchange customer contract
- ☐ Information on IT operating system and how it is utilized
- ☐ Information on delivery technology and equipment being utilized

CONTACT OUR ACQUISITIONS TEAM

Whether you are just thinking about selling or you are ready to sell, we look forward to discussing your goals. Contact VP of Business Development, Richard Mayberry, to start planning your future today!



Richard Mayberry

VP of Business Development

816-792-6950

RichardMayberry@Ferrellgas.com

Richard Mayberry knows all about acquisitions. He came to Ferrellgas in 1999 when the company acquired Thermogas, where he was employed as Director of Operations. He has collected experience across several roles over the last two decades in the propane industry, including General Manager of our Birmingham, Alabama Service Center, Central Region Manager, VP of Operations for the East, and a member of the Executive Committee. He holds a degree in Business Administration from the University of Alabama Birmingham School of Business.



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