

Factory Automation Integrator & Parts Distributor

Service Market focused on Manufacturers in Various Industries

2017 Revenue \$7.3 M

Southeastern US

2017 Adj. EBITDA \$182,000

Investment Highlights

- **Multi-Product Business Model:** Vertically integrated business model provides full automation solutions that includes parts, sub-systems, and turn key systems. Whether a Customer is simply purchasing a replacement part for an existing automation system or is in need of an advanced automation solution, Company provides a 'One Source Solution'.
- **Recurring Revenue:** The majority of Customers are repeat buyers. This business model also gives Company the ability to upsell and cross sell products and solutions to new and repeat Customers.
- **Market Defensibility:** Company has an established Brand Name and reputation for over 37 years. They are vertically integrated as a parts and equipment Distributor with long standing product partnerships. They don't only sell automation parts, but also use them in their own production of custom automation solutions. The economy of scale allows for lower costs of production and competitive pricing for Customers. Company's strength is in their Engineering capabilities and customized solutions. It is very difficult for new entrants to enter into this market and gain a substantial market share.
- **Products & Solutions:** The industrial and manufacturing industry continuously needs Automation products and solutions provided by Company. New and existing assembly lines are continuously being engineered and re-engineered for new and updated product lines. Engineering and Automation solutions are in high demand in the US and abroad. Even though Company's product has international reach, the increase and emphasis are on domestic US Manufacturers.
- **Product Line Diversity:** The one-stop offering and broad array of products by the Company have created huge repeat business rate. Furthermore, a diverse product offering insulates the Company from dependence on any one product line. These products are sold domestically and internationally.
- **Market Presence:** The Company brand has been around for 37 years. Their well-known reputation, coupled with their broad service offering, has enabled them to strongly leverage their products and solutions. The market knows and comes to Company when looking for hard to find parts, engineering expertise, and customized automation solutions.

- **High Barriers to Entry:** The significant time, expertise, and capital investment to purchase equipment, establish relationships with suppliers and customers, and hire an experienced employee base and management team is a significant barrier to entry for new competitors.
- **Employee Base and Management Team:** The Company has an experienced team in place that is accustomed to meeting and exceeding customer quality and delivery date expectations. While the employee base and management team are experienced and in tune with ownership's expectations.
- **Fully Equipped:** Management has built out Company's Automation Solutions capabilities and are fully equipped to provide small and medium sized project in house.
- **Broad Capabilities:** The firm is highly regarded for its fully customized engineering and technical capabilities, most notably as a specialist in Bosch Transfer Systems, Datalogic Vision Systems, and Robotics. While uniquely qualified to provide specialized services, the foundation of the firm has been built upon its core competencies as a leading Automation engineering and solutions firm as well as parts distributor.
- **Strong Industry Leaders:** The Company believes leadership and a vision for the future is important if Company is to remain viable and relevant in an ever-changing industry. The Company has taken this fact to heart and has responded by appointing division heads who possess more than the aforementioned attributes. These division heads are also leaders of people. Management believes it is the proper and respectful management of people through which a service company excels.
- **US Manufacturing:** Manufacturing in the US is strong and advancing. Industry 4.0 is driving manufacturers to Automate and become a Smart Organization. This push for Industry 4.0 is increasing the demand for the Engineering and Automation Solutions that Company provides.

Investment Opportunity

This is a great opportunity to acquire a premier turnkey engineering, automation solutions, and parts distribution company with a proven business model and a strong track record profitability. Management is confident and is well positioned to leverage its well-earned reputation to pursue growth beyond the projections presented herein. The Company's strong client relationships, comprehensive capabilities, and long-standing reputation present bullish opportunities to increase market share and profitability.

Strategic acquirers can expand their product solutions and leverage vertically integrated parts distribution. Company's capacity will provide strategic acquirers additional production capabilities, new customers and suppliers, and engineering expertise. Financial acquirers will have a sustainable and growing company with a defensible position in an industry that will, by necessity, have an extended and profitable future. International acquirers can buy Company and have an instant foot-hold in this lucrative market.

For more information regarding client #: **17611** please contact:

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