

Available for Acquisition

Full Service Mechanical Contractor - MEP

Serving a growing commercial & industrial marketplace with a focus on healthcare & educational facilities



2017 Est. Rev.: \$50,000,000

Southwest US

2017 Est. EBITDA: \$3,600,000

Broad Capabilities: The Company is a full service mechanical contractor performing HVAC, plumbing and site utilities for commercial, institutional, and industrial construction & renovation projects. 85% of the work is self-performed and the Company is one of a few contractors in its state with its own in-house sheet metal and pipe-fitting crews making it more self-reliant than most of its competitors. They have long-standing relationships with many university and hospital systems that provide ongoing stable renovation projects that act as a hedge against new construction cycles.

Excellent Reputation & Track Record: The Company has been in business for almost 30 years and has long-standing relationships with many large general contractors in its marketplace. These contractors choose to award repeated work to the Company based upon its strong track record of delivering quality work for complex projects on-time and on budget. At any given time, the Company will have 6-8 active projects greater than \$5 million in contract value and as many as 10 other projects of between \$100,000 and \$5 million in contract value. As a result of its excellent reputation, the Company has been involved in many high-profile projects in its marketplace with individual contract values as high as \$25 million.

Strong Growth Trend: The Company's growth trend has been strong at 15.9% CAGR since 2014 and it remains very well positioned to continue to grow. Near term growth is forecasted to continue at a rate above 10% per annum based upon local market conditions, the Company's excellent reputation and track record, historical growth rates, and current backlog. The Company sees approximately 100 requests for proposals each week from 25-50 individual general contractors. As such, they can be very selective and typically only bid on 2-3 major contracts each month with an estimated capture rate of about 30%. The size of contracts that the Company participates in has been increasing over time as they have successfully competed for and won larger more complex jobs. The current backlog stands at greater than \$50 million.

Competitive Advantage: In addition to its very broad capabilities the Company has a highly knowledgeable and experienced workforce in place. Crews take pride in their workmanship and the longevity of its employees and its culture are strong competitive advantages in an industry where good employees are hard to find. Many key employees have been with the Company greater than 20 years. Field managers know what is expected and how to accomplish it and are empowered to make the decisions they need on the job site. Senior leadership gives them this authority knowing that those individuals are very well trained and capable, having come up through the ranks of the Company.

Key Management Team Will Remain After Sale: Two of the three existing shareholders, who are active in the business, are willing to remain in roles, for periods of time, and on terms to be mutually agreed to. The owners would like to see the Company continue to grow and want to ensure that the employees have security into the future. They enjoy their work and would like to create a smooth transition for new ownership. They recognize that different buyers have different needs, and are flexible on the transition. In addition, there are three "next generation" employees in key positions who are all willing to remain after a sale.

For more information, on Client #17035, please contact:

Joseph B. Huston

jhuston@emerge-ma.com

917-716-5521

eMerge MA

www.eMerge-MA.com
