

Phase-1 Commercial Construction: Specializing in Demolition, Carting, and Site Prep Services

Projected 2007 Revenue
\$30,000,000

Projected 2007 EBITDA
\$4,092,500

Location
Northeast U.S.

eMerge M&A, Inc. currently represents a very successful and well-established commercial contractor offering turnkey capabilities that cover all aspects of the initial phase of a construction project. Operating through four complimentary divisions, the Company can provide commercial interior/exterior demolition services, a complete line of roll-off container and packer-truck services, structural concrete and a host of site prep services (including excavation, drainage, grading, curbs, sidewalks, and asphalt). A unique structure that allows the Company to pursue both union and non-union demo jobs represents a significant competitive advantage. Similarly, the Company's own transfer station enables the carting operation to better serve clients through 24/7 waste removal. For over 15 years, the Company has been trusted as the first one on the job, responsible to set the stage for all subsequent construction.

Company Highlights

- ◆ As of July 2008, the Company has the largest back log in its history. The backlog of highly profitable work is currently \$30,000,000.00.
- ◆ Posted significant year-over-year growth between 2004 and 2006, representing a Compound Annual Growth Rate of 30.9 percent
- ◆ 2007 revenues are expected to top off at \$30,000,000, 38.5 percent higher than the previous year's sales
- ◆ Demolition services account for approximately 47 percent of annual revenues, with site development/structural concrete (36 percent) and carting services (17 percent) generating the balance
- ◆ The Company operates from two adjacent buildings, measuring 10,0000 sq. ft. and 8,200 sq. ft., respectively, situated on 6 acres; the land and buildings are available for consideration along with the business
- ◆ A Company-operated transfer station, located opposite the main facility, permits the dumping of waste on a 24/7 basis, for the best service to clients
- ◆ Originally used exclusively by the Company, the transfer station has begun to accept debris from other carting operations and is also LEED compliant, thereby enabling the provision of recycling programs
- ◆ Boasts a well-diversified client base numbering nearly 250 active accounts, with the top five clients contributing less than 25 percent of revenues
- ◆ Historically, upwards of 80 percent of projects have been union

- ◆ Bonding capacity currently stands at \$15,000,000
- ◆ Operates mainly as a subcontractor (90 percent of business), but an increase in the amount of prime contractor work could increase margins even further
- ◆ The consolidated operation counts on an employee base of 150, including an 8-person strong management team that would be willing to remain with the firm post-acquisition
- ◆ The active principal is willing to remain with the Company for an extended transition

Financial Summary

FYE December 31	Actual			Projected		
	2004	2005	2006	2007	2008	2009
Sales (In \$ Thousands)	12,634	12,178	21,657	30,000	38,000	43,000
% Growth	--	-3.6%	77.8%	38.5%	26.7%	13.2%
Cost of Goods Sold	9,515	9,160	16,353	22,650	28,690	32,465
Operating Expenses	2,110	2,126	2,735	2,882	3,495	3,821
EBITDA	1,010	891	2,568	4,468	5,815	6,714

Reason for Sale or Investment

Since establishment in the early 1990s as a response to the market's need for a reliable commercial demolition contractor, the Company has grown steadily on the basis of superior service and satisfaction. At this juncture, the Company possesses an outstanding model and an excellent reputation in a prosperous market. A well-capitalized investor would be positioned to further nurture the Company's spectacular growth: by obtaining a higher bond line, the Company could aggressively pursue much larger projects, acting as a prime contractor if so desired, and thereby strengthen its market position.



eMerge M&A

eMerge M&A, Inc.
295 Madison Avenue, 12th Floor
New York, NY 10017
212.804.8282
www.eMerge-MA.com