

Full Service Engineering and Environmental Firm

Leading Regional Independent (U.S. Gulf Coast)

Financial Highlights

Fiscal Years ending December 31 (\$000)

	2009	2010	2011*	2012	Pro Forma 2013	2014	2015
Revenue	18,693	18,976	17,444	18,993	20,814	22,635	24,283
Growth %	na	1.5%	-8.1%	8.9%	9.6%	8.7%	7.3%
COGS	8,853	9,060	6,110	6,633	7,249	7,860	8,408
Op Ex	7,044	7,879	7,912	8,533	9,251	9,810	10,307
Adj. EBITDA	2,796	2,037	3,422	3,827	4,314	4,965	5,568
EBITDA %	15.0%	10.7%	19.6%	20.1%	20.7%	21.9%	22.9%

* 2011 estimates based upon YTD results through April and current project backlog

Company Highlights

Regional Market Leader: The Company is a leading independent engineering and environmental services firm with offices throughout the U.S. Gulf Coast region. In addition to offering a very broad spectrum of services to a loyal client base, the firm has also developed a specialized niche within the regional oil and gas sector. The firm caters to both private and public sector clients, and has a proven reputation for consistently delivering cost effective and technically sound solutions. The firm's capabilities (and its brand) are recognized throughout the region, perhaps most notably due to several high profile projects completed by the firm in 2007 and 2008 in response to hurricanes Katrina and Rita.

Impressive List of Recurring Customers: The firm has a diverse account base having served over 700 clients. The majority of the firm's long-standing customer relationships are with private and public sector clients based in the Gulf States, however, the firm also serves a large number of Fortune 500 customers both *nationally and internationally*. These strong relationships have been developed through years of top performance, and the firm's reputation for multi-disciplinary expertise.

Broad Capabilities: The firm is highly regarded for its technical capabilities, most notably as a specialist in air quality measurement and compliance, services that are increasingly critical to the oil & gas sector. While uniquely qualified to provide specialized services, the foundation of the firm has been built upon its core competencies as a leading civil & environmental engineering consulting firm. In addition, the firm is an *international* provider of specialized products and services tied to its proprietary technologies.

Proprietary Technology / Existing & Pending Patents / Competitive Advantage: The firm enjoys proprietary technologies that give it a significant competitive advantage, particularly in the oil and gas sector. This IP includes both existing and pending patents, and a suite of 5 software packages. The firm's IP is an important component to this offering, and will be described in detail to high potential buyers at the appropriate time.

Exceptional People / Robust Business Infrastructure: The Company employs an experienced staff of 33 licensed engineers as a part of a total staff of nearly 150, including architects, surveyors, geologists, planners, environmental specialists, software developers, and technicians. The company also benefits from a highly experienced management team, excellent systems, and an experienced group of administrators and support staff. The firm's professionals are an exceptional group, highly regarded throughout the region.

Platform Poised for Continued Growth: The combination of the firm's highly regarded technical personnel and experienced management team, along with a proven group of sales executives and a well-tuned business infrastructure, together offer industry or financial buyers a highly scalable platform capable of driving rapid growth. Also of significance, the firm has a proven track record of managing extremely rapid project growth. Specifically, in projects responding to hurricanes Katrina and Rita the firm managed revenue growth from under \$7,000,000 in 2005 to nearly \$35,000,000 in 2007, playing an important role regionally in response to those disasters. The firm has the tools, systems and people in place to ramp-up in similar fashion when the need again arises.

Progress Despite a Challenging Economy: As the "great recession" reached bottom in mid-late 2009 and into early 2010, the firm's largest corporate clients made temporary cut backs to projected capital spending. As a result the firm experienced "flat" revenues in 2009 and 2010. While gross operating margins were not significantly affected, profitability in 2010 was negatively affected by both fixed cost overhangs and the expense associated with the firm's implementation of a number of internal initiatives aimed at long-term structural realignment. In addition, during the downturn the firm committed additional resources to its business development and marketing efforts. Combined, these initiatives resulted in a short-term drag on profitability. The costs associated with these initiatives were isolated primarily to 2010 (the EBITDA low point), but have resulted in significant long-term operating benefits.

2011 Unfolding with New Operating Efficiencies and Significantly Increased Profitability: Having successfully navigated the effects of the recent recession, and after successful implementation in 2010 of several internal initiatives to both drive revenues and increase operating margins, 2011 is tracking to produce significantly improved earnings. Specifically, YTD results through April reflect adjusted EBITDA margins that are nearly double those generated in 2010. The firm enjoys a solid 11 month project backlog, and expects adjusted EBITDA to reach over \$3.4 million in the current year. Looking forward the firm anticipates a significant uptick project load as regional oil and gas customers increase domestic on shore capital spending, and as states and municipalities work through and resolve recent budgetary difficulties. Longer term, infrastructure spending at all levels of government will drive growth regionally, while state and national efforts to improve coastal environments will be of direct benefit to the firm's Gulf Coast operations.

Reason For The Sale: The Principals have been extremely dedicated to their firm throughout its development. During the firm's rapid growth the Principal's families have also made significant sacrifices as a result of the demands of the firm. Having put key systems and management in place in anticipation of an ownership transition, the Principals now desire to both diversify their personal estates, and to spend more time with their families – hence the offering at this time.

The Principals Will Remain Through a Transition: The Principals are committed to remaining following a sale for a reasonable transition period, both to ensure a smooth change of control and to assist the acquiring entity in achieving its short-term regional objectives. In addition, one or more of the Principals may consider an ongoing consulting or contractor relationship with the combined entities post closing.

For more information on Client # 30617, please contact eMerge M&A, Inc.