

Available for Acquisition

HVAC & Plumbing Contractor

**Serving the Residential Replacement,
Residential Service &
New Installation Markets**



TTM Mar. 2024 Revenue: \$17,000,000

Southeast Region

TTM Mar. 2024 EBITDA: \$2.1MM

Longevity of Service & Reputation:

The Company has been providing its services to individual homeowners and home builders in its service region for over three decades. Because of its almost 40-year longevity of service in the region and its ability to deliver superior customer service, the Company has not needed to solicit for new installation work and relies on its long-standing relationships with home builders in the market who prefer to use the Company as their subcontractor of choice. These residential projects are steady organic feeders for the Company's replacement and service business. Similarly, the Company's excellent market reputation with individual homeowners leads to a significant amount of repeat, renewal, and referral business. As a result, the Company has invested very little over the years in direct advertising and social media which creates an opportunity for new owners that have experience and marketing resources to leverage. The significant goodwill that has been created by the Owners would not be easy to replicate in the marketplace and is now available for acquisition by new owners.

Highly Skilled & Trained Workforce:

The Company presently has 75 full-time non-union employees. One reason for the success of the Company is there is a very high level of understanding of the work they do. There is a very large knowledge base resident in the Company's long-term employees related to the services provided by each department. The goodwill created from over 30 years of new installation and residential service cannot be easily replicated in the marketplace. The depth of talent in the Company is extremely strong, both the mechanical labor and helpers in the field as well as the headquarters' senior management team. The Owners are willing to stay on post sale to insure a very smooth transition to new ownership and they believe they have a depth of talent of long-term loyal employees that could assume various leadership roles after a change in ownership.

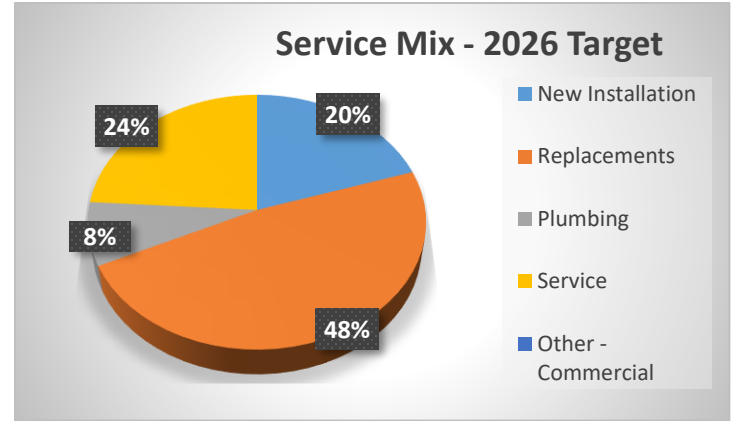
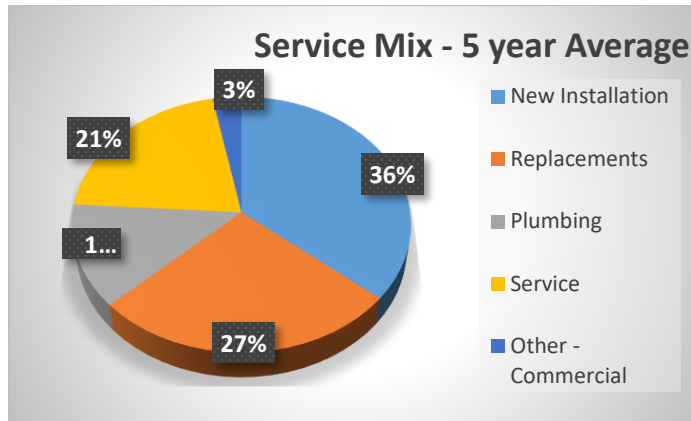
Strong Local Market Dynamics:

The Company operates in a very attractive service region in the Southeast that is benefiting greatly by changing demographics and increasing migration of the population. People are moving to their region in record numbers, and not just retirees. Young people are being lured by the weather, a lack of state income tax, and more job opportunities. The state the Company operates in is one of the fastest growing in the country and the primary counties that constitute their service region are some of the fastest growing and wealthiest in the state. These demographic trends are expected to continue and will benefit the Company's business for many years to come.

New Strategic Direction in Place:

At the end of 2023, the Owners developed a three-year strategic plan designed to support significant growth and increased profitability for the Company. The plan is detailed and addresses organizational changes, operational changes, financial changes, and staffing requirements to take the Company to the next level of operating performance. The plan will result in revenue growth of over 45% in three years to a revenue level exceeding \$25 million in 2026. A significant element of the

plan is to shift the business away from new construction by focusing growth on the replacement and service businesses. The revenue mix target for 2026 is replacement (48%), service (24%), new installation (20%), and plumbing (8%). The changes to the mix of revenue will take place incrementally over the next 2-3 years with the overall revenue projected to grow by 12-15% per year. The resulting profitability impact is forecast to increase EBITDA to over \$2.5 million by the end of 2026. Of the 15 action items in the plan 11 have already been completed with the other items in various stages of being implemented. This initial phase of the plan has already been implemented with the creation of certain key positions and the hiring of critical staff. A full copy of the plan is available for review.



Solid Financial Performance with Identified Growth Opportunities:

The Company operates in a very vibrant and growing market. Despite the impact of the global pandemic, the Company's revenues have grown each of the last seven years. Each city and town that the Company serves will continue to rezone land for residential development that will continue to provide more opportunities for each of the Company's business segments. The Owners are consciously moving to grow the replacement and service segments while reducing the level of new construction to reduce variability and increase profit margins. Investments have already been made to add another Replacement salesperson and to create a new position, Installation Manager, to accommodate more sales and installs. The Owners have added more Service technicians, raised rates, and added a Customer Service Manager to accommodate a larger service customer base. Historically, the Company has spent very little on advertising and marketing in relation to their revenues. Many larger companies in the region have marketing budgets that are 10+ times more than the Company's. The Owners believe that an increased investment in marketing and advertising would produce a healthy return on investment. Partnering with new owners who are more experienced in marketing and advertising would allow the Company to leverage the more than 50,000 customers in its database, of which only about 4,500 have been converted to service customers to date.

For more information, on Client #24114, please

Sign & Return a Confidentiality Agreement

eMerge M&A

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