

# Profitable Machine Shop for Acquisition

## Financial Summary

Year ending June 30	2017	2018	2019	2020F	2021F
Revenue	4,494,861	6,131,464	7,165,387	7,751,731	8,371,869
% Increase in Revenue	23.3%	36.4%	16.9%	8.2%	8.0%
Gross Profit	3,348,387	4,470,146	5,050,517	5,259,613	5,680,382
Margin %	74.5%	72.9%	70.5%	67.9%	67.9%
EBITDA (Normalized)	698,499	1,166,736	1,302,674	1,674,374	1,850,183
EBITDA Margin %	15.5%	19.0%	18.2%	21.6%	22.1%

## Company Overview

This company has successfully operated for decades and is now seeking a qualified acquirer as the owner contemplates retirement. The business provides manual and CNC machining, millwrighting, waterjet, fabrication, welding, manufacturing, and repair services to customers from various industries.

Highlights of this acquisition opportunity include:

- Strong revenue growth since 2016.
- Consistent profitability; strong free cash flow generation.
- Diverse, high quality customer base.
- Positioned for future growth due to recent capital investments (expanding capabilities and services).
- Capable management team; low degree of owner involvement.

The goal of a diversified customer base has been management's priority from the beginning. The top 10 customers contribute less than 50% of revenue. The company has been affected less by challenges in the Alberta oil industry than many comparable businesses.

Approximate revenue by customer industry:

- ♦ Energy (38%)
- ♦ Waste and recycling (13%)
- ♦ Packaging & printing (10%)
- ♦ Transportation (4%)
- ♦ Manufacturing (11%)
- ♦ Food processing (6%)
- ♦ Construction (3%)
- ♦ Other (15%)

The owner is prepared to work with an acquirer to promote management continuity for a reasonable transition period to be negotiated for the benefit of all parties.

The company leases its facilities.

## Transaction Considerations

The MAXIMA Group has been exclusively retained by the owner of the company to complete a sale of the business.

A full Confidential Information Memorandum (CIM) is available upon the execution of a Confidentiality Agreement.



## Company Quick Facts

Industry:

**Machine shops**

Company Offerings:

**Manual and CNC machining, millwrighting, waterjet, fabrication, welding, manufacturing, repair**

Headquarters Location:

**Alberta**

Customer Geographic Location:

**Western Canada**

*All monetary amounts expressed in Canadian dollars.*

## Seller Contact

*The MAXIMA Divestitures Group Inc.*

**David Braun**

**Project Lead**

Phone: (403) 570-7386

Email: [DBraun@MaxDG.com](mailto:DBraun@MaxDG.com)

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*Prospective purchasers are required to undertake their own due diligence and review of the affairs described in this summary, and can do so with the assistance of MAXIMA and the Company after entering into such Confidentiality Agreements as required.*